# UNIVERSITY OF LJUBLJANA FACULTY OF ECONOMICS

# SELMA KADIĆ-MAGLAJLIĆ

# THE ROLE OF MORAL JUDGMENT AND EMOTIONAL INTELLIGENCE IN SALESPERSON BEHAVIOR AND PERFORMANCE

DOCTORAL DISSERTATION

#### **AUTHORSHIP STATEMENT**

The undersigned <u>Selma Kadić-Maglajlić</u>, a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), declare that I am the author of the doctoral dissertation entitled <u>The Role of Moral Judgment and Emotional Intelligence in Salesperson Behaviour and Performance</u>, written under supervision of <u>Professor Irena Vida</u>, Ph.D.

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#### **SUMMARY**

While the sales literature is in agreement on the basic theoretical constructs which facilitate buyer-seller relationships (Saxe & Weitz, 1982; Spiro & Weitz, 1990), no clear understanding exists about the role of the individual relational constructs that influence a salesperson's performance (Keillor, Parker, & Pettijohn, 2000). For the sake of the clarity, it is interesting to note that in the Contingency Framework Model Weitz (1981) used the term sales effectiveness while in Walker et al. (1979), the construct with an identical definition was termed sales performance. Going back to conceptual models that are explained in the Section 1.2. it could be seen that Weitz's (1981) definition of sales effectiveness is what Walker et al. (1979) consider as salesperson performance. For the sake of clarity, and in accordance with the contemporary literature, in the write up of this doctoral dissertation term sales performance is used. Therefore, this dissertation deepens the existing knowledge of salespersons' performance by exploring the effect of individual salespersons' relational behaviour (i.e., customer orientation, selling orientation and adaptive selling) on salespersons' performance with the inclusion of the moderating influence of moral judgment and acknowledging the complex role of emotional intelligence in salesperson behaviour. The important contribution of the doctoral dissertation is in its proposed non-linear view of the customer and selling orientation latent variables. In addition, we differentiate between behavioural and outcome salesperson performance, proving that behavioural salesperson performance significantly determines outcome salesperson performance.

The dissertation offers an innovative and contemporary multidisciplinary approach to sales in terms of theoretical background, which combines psychology and moral philosophy literature. To the best of our knowledge, for the first time in the sales literature, this dissertation uses co-citation analysis of the literature to triangulate theoretical findings. The dissertation links substantial knowledge (performance, adaptive selling, customer orientation and moral judgment) with a conceptually well-known but under-researched construct (selling orientation) and with a relatively new and under-researched construct in the sales context (emotional intelligence) through cross-national research conducted in two under-researched countries (Bosnia and Herzegovina, and Croatia).

The dissertation presents the findings of the empirical research process, which started with an exploratory qualitative phase in which the key constructs were identified. In the next step quantitative research was conducted, differentiating the pilot and main study. In the main research, first the measurement model was assessed, which served as measure purification, as well as for testing the constructs in terms of dimensionality, reliability and (convergent and discriminant) validity. Finally, the model was assessed through a structural equation model (SEM). Taking advantage of data collection in two the countries, the model was tested on two samples, a calibration sample and a validation sample, as proposed by Diamantopolouos and Siguaw (2000). The applied procedure helped us to assess how well the model replicates the second sample. In general, the empirical verification of the theoretically proposed model used different data analysis techniques such as: validity, reliability analysis, SEM, SEM examination of quadratic effects, curve analysis, mediated SEM, interactions, and mediated moderation analysis) that add to the

validity of our implications. In addition, a measurement invariance test was also conducted. Given the list of countries examined in prior sales research that was given in the paper by Panagopoulos et al. (2011), we acknowledge that this is the first academic sales research conducted in Bosnia and Herzegovina, and Croatia.

The findings of this study support the contingency theory proposed by Weitz (1981) and Weitz et al. (1986), claiming that adaptive selling is an important determinant of sales performance. In addition, in our contingency model we contribute to the present knowledge by explicitly taking a non-linear (i.e., quadratic) approach to explaining the salesperson performance outcomes of selling orientation and customer orientation. We prove that there is an optimal level of customer orientation within an organization with regard to performance. At the same time, we prove that the attitude that assumes "themore-customer-oriented-the-better" should be abandoned. Sales managers should investigate the optimal level of customer orientation that a salesperson should exercise in a particular context. In addition, we show that selling orientation also has a positive impact on performance in specific circumstances that are explored in the doctoral dissertation. The results also show that adaptive selling together with other relational constructs (i.e., selling orientation and customer orientation), are influenced by emotional intelligence as an antecedent. These findings indicate the importance of a synergistic combination of emotional intelligence and relational behaviour constructs in order to better explain salesperson performance. We also show that the three dimensions of moral judgment should be explored individually, since they have different influences, in terms of directions and magnitude, on other variables.

We hope that our findings will contribute to both researchers and practitioners in their future work. Although this research represents a contribution to knowledge in the particular cultural context of two emerging markets, it is expected that these results will spur researchers interested in increasing the body of knowledge and exploring the role of individual salesperson characteristics in salesperson relational behaviour and performance.

Empirical research is an imperative in guiding the social sciences. Yet, we are aware that it is easy to get caught up in statistics and lose the business-reality perspective. Therefore, we acknowledge some limitations in our study. Further replication is needed to determine how the reported findings correspond to the results of studies conducted in other environments. It would be beneficial to explore the other potential influencers of salesperson relational behaviour in terms of the multidisciplinary approach. In addition, we advise further research on the influence of emotional intelligence as a moderator on the relationship between salesperson relational behaviour and salesperson performance, without forgetting about the possible double-edged effects of emotional intelligence that sometimes could lead to negative outcomes. Therefore, we argue that one should explore the moderating effects of emotional intelligence by researching how every single component of emotional intelligence moderates selected relationships. By doing so we can understand and explore the individual impacts of the four dimensions on the relational behaviour – performance relationship.

Given the number of people who suffer from the consequences of unethical practices in

business, we believe that further research should not neglect the inclusion of moral judgment in their model assessment. We hope that this would allow academia to reach new knowledge needed for the development of effective interventions to discourage unethical sales activities in the future.

**Keywords:** Salesperson performance; Emotional Intelligence; Moral Judgment; Adaptive Selling; Customer Orientation; Selling Orientation.

#### **POVZETEK**

V prodajni literaturi je sicer soglasje glede osnovnih teoretskih konstruktov, ki upodabljajo odnose med kupci in prodajalci (Saxe & Weitz, 1982; Spiro & Weitz, 1990), ni pa nobene jasne razlage o vlogi individualnega relacijskega konstrukta, ki vpliva na prodajno uspešnost (Keillor, Parker & Pettijohn, 2000). Zanimiva ugotovitev je, da je Weitz (1981) v modelu kontingenčnega ogrodja uporabil izraz prodajna učinkovitost, v Walker et al. (1979) pa je bil konstrukt z identično definicijo poimenovan prodajna uspešnost. Če se vrnemo h konceptualnim modelom, razloženim v razdelku 1.2., je mogoče videti, da je Weitzova (1981) definicija prodajne učinkovitosti to, kar Walker et al. (1979) obravnavajo kot uspešnost prodajalcev. Zaradi jasnosti in v skladu s sodobno literaturo v tej nalogi uporabljamo izraz prodajna uspešnost. Zato ta doktorska disertacija poglablja obstoječe znanje o prodajni uspešnosti z raziskovanjem učinka relacijskega vedenja vsakega individualnega prodajalca (npr. naravnanost na kupca, prodajna naravnanost in prilagojena prodaja) na prodajno uspešnost z vključitvijo povprečnega vpliva moralne sodbe in s priznavanjem kompleksne vloge čustvene inteligence na obnašanje prodajalca. Pomemben prispevek naloge je v predlaganem nelinearnem pogledu na spremenljivke strank in prodajne naravnanosti. Dodatno razlikujemo med vedenjsko uspešnostjo in uspešnostjo glede na rezultate, ki dokazuje, da vedenjska uspešnost prodajalca odločilno vpliva na uspešnost glede na rezultate.

Naloga ponuja inovativen in sodoben večdisciplinarni pristop k prodaji v okviru teoretičnega ozadja, ki združuje psihologijo in literaturo moralne filozofije. Kolikor nam je poznano, ta naloga prvič v prodajni literaturi uporablja analizo dvojnega citiranja literature. Povezuje izdatno znanje (uspešnost, prilagojeno prodajo, naravnanost na kupca in moralno sodbo) s konceptualno dobro poznanim, a slabo raziskanim konstruktom (prodajno naravnanost) in z razmeroma novim, slabo raziskanim konstruktom v prodajnem kontekstu (čustvena inteligenca) z mednarodno raziskavo, izvedeno v dveh slabo raziskanih državah (Bosna in Hercegovina ter Hrvaška).

Naloga predstavlja ugotovitve empiričnega raziskovalnega procesa, ki se je začel s poskusno kvalitativno fazo, v kateri so bili identificirani ključni konstrukti. V naslednjem koraku je bila izvedena kvantitativna raziskava, ki ločuje test od glavne študije. V glavni raziskavi je bil najprej določen meritveni model, ki služi za čiščenje meritev ter tudi za testiranje konstruktov v okviru dimenzionalnosti, zanesljivosti in (konvergentno in diskriminantno) utemeljenosti. Na koncu je bil model določen z modelom strukturne enačbe (MSE). S prednostjo podatkov, zbranih v dveh državah, je bil model preskušen na dveh primerih: na kalibracijskem primeru in na primeru utemeljenosti, kot predlagata Diamantopolouos in Siguaw (2000). Uporabljeni postopek nam je pomagal oceniti, kako dobro se model ponavlja pri drugem primeru. V splošnem je empirična verifikacija teoretično predlaganega modela uporabila drugačne postopke analiziranja podatkov, kot so utemeljenost, analiza zanesljivosti, MSE, MSEtestiranje kvadratnih učinkov, analiza krivulje, posredovana SEM, interakcije, posredovana moderacijska analiza, ki prispevajo k utemeljenosti naših trditev. Dodatno je bil izveden test merjenja nespremenljivke. Z ozirom na seznam držav, analiziranih v prejšnjih tržnih raziskavah, ki so bile navedene v delu Panagopoulos et al. (2011), potrjujemo, da je to prva akademska tržna raziskava, izvedena v Bosni in Hercegovini ter na Hrvaškem.

Študija podpira mogočo teorijo, ki jo predlagajo Weitz (1981) in Weitz et al. (1986) ter trdi, da je prilagojena prodaja pomembna determinanta prodajne uspešnosti. Dodatno v našem mogočem modelu pripomoremo k sedanjemu znanju z uporabo eksplicitno nelinearnega (t. i. kvadratnega) pristopa k razlagi prodajne uspešnosti s prodajno naravnanostjo in naravnanostjo k strankam.

Torej smo dokazali, da obstaja optimalna stopnja naravnanosti k strankam znotraj organizacije z ozirom na uspešnost. Kljub temu smo dokazali, da bi moral biti pristop »bolj kot smo naravnani k strankam, bolje je« opuščen. Vodje prodaje bi morali raziskati, kaj je najboljša stopnja naravnanosti k strankam, ki bi jo prodajalec v določenem kontekstu moral izvajati. Dodatno smo dokazali, da imajo prodajne naravnanosti tudi pozitiven vpliv na uspešnost v določenih okoliščinah, ki so raziskane v nalogi. Rezultati so pokazali tudi, da čustvena inteligenca vpliva na prilagajanje prodaje skupaj z drugimi relacijskimi konstrukti (npr. prodajna naravnanost in naravnanost k strankam). Te ugotovitve nakazujejo pomembnost sinergijske kombinacije čustvene inteligence in relacijskega obnašanja konstrukta, da bi lahko bolje pojasnili prodajno uspešnost. Dokazali smo tudi, da bi morali tri dimenzije moralne sodbe v prihodnje raziskovati posamično, saj imajo različne vplive v okviru smeri in magnitude na druge spremenljivke.

Upamo, da bodo naše ugotovitve raziskovalcem in praktikom pomagale pri njihovih prihodnjih raziskavah. Čeprav ta raziskava predstavlja prispevek k znanju v določenem kulturnem kontekstu dveh nastajajočih trgov, se pričakuje, da bodo rezultati spodbudili raziskovalce, ki jih zanimata izboljšanje znanja ter preučevanje vloge značilnosti posameznih prodajalcev v relacijskem obnašanju in prodajni uspešnosti.

Empirična raziskava je imperativ na področju vodenja družboslovja, vendar se zavedamo, da se zlahka ujamemo v statistične podatke in izgubimo poslovno-resničnostno perspektivo. Zato priznavamo določene pomanjkljivosti te študije. Nadaljnje podvajanje je potrebno za ugotovitev, kako zapisane ugotovitve sovpadajo z rezultati študij, izvedenih v drugih okoljih. Koristno bi bilo raziskati druge vplive relacijskega vedenja prodajalcev v okviru večdisciplinarnega pristopa. Dodatno svetujemo nadaljnje preiskave na vpliv čustvene inteligence kot moderatorja odnosa med relacijskim vedenjem prodajalca in prodajno uspešnostjo, pri čemer ne smemo pozabiti morebitnega dvoreznega učinka čustvene inteligence, ki lahko kdaj vodi tudi v negativen rezultat. Zato zagovarjamo, da bi nekdo moral raziskati mogoče vplive čustvene inteligence z raziskovanjem, kako vsaka posamezna komponenta čustvene inteligence moderira izbrano razmerje. Tako bi lahko razumeli in raziskali individualni vpliv štirih dimenzij na relacijsko vedenje – uspešnost razmerja.

Upoštevajoč število ljudi, ki trpijo za posledicami neetičnih praks in poslovanja, verjamemo, da nadaljnja raziskava ne bi smela zapostaviti vključitve moralne sodbe v njihov ocenjevalni model. Upamo, da bo to akademiji omogočilo pridobivanje novega znanja, potrebnega za razvoj uspešnih intervencij, ki ne podpirajo neetičnih prodajnih dejavnosti v prihodnosti.

**Ključne besede:** prodajna uspešnost; čustvena inteligenca; moralna sodba; prilagajanje prodaje; naravnanost na kupca; prodajna naravnanost

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# LIST OF ABBREVIATIONS

| Adjusted Goodness-of-Fit Index                  | AGFI                  |
|---|-----------------------|
| Akaike's Information Criterion                  | AIC                   |
| Business-to-Business                            | B2B                   |
| Business-to-Consumer                            | B2C                   |
| Bosnia and Herzegovina                          | BH                    |
| Behaviour Performance                           | PERFB                 |
| Outcome Performance                             | PERFO                 |
| Adaptive Selling                                | AD                    |
| Croatia   | CRO                   |
| Chi-Square Goodness-of-Fit Test                 | $\dots \qquad \chi^2$ |
| Comparative Fit Index                           | CFI                   |
| Confirmatory Factor Analysis                    | CFA                   |
| Contingency Framework Model                     | CFM                   |
| Contingency Theory                              | CT                    |
| Contingency Theory of Leadership                | CTL                   |
| Cronbach's a coefficient                        | α                     |
| Customer Orientation                            | CO                    |
| Degrees of Freedom                              | df                    |
| Exploratory Factor Analysis                     | EFA                   |
| Emotional Intelligence                          | EI                    |
| General Theory of Marketing Ethics              | GTME                  |
| Goodness-of-Fit Index                           | GFI                   |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | KMO                   |
| Linear Structural Relationships                 | LISREL                |
| Maximum Likelihood                              | ML                    |
| Maximum   | Max                   |
| Minimum   | Min                   |
| Missing Value Analysis                          | MVA                   |
| Non-Normed Fit Index                            | NNFI                  |
| Parsimonious Normed Fit Index                   | PNFI                  |
| Ratio of $\chi^2$ to Degrees of Freedom         | 1                     |
| Root Mean Squared Error of Approximation        |                       |
| Sample  | N                     |
| Selling Orientation                             |                       |
| Squared Multiple Correlations                   | $\ldots R^2$          |
| Statistical Package for the Social Sciences     |                       |
| Structural Equation Modeling                    |                       |
| Standard deviation                              |                       |
| T-value   |                       |
| Walker, Churchill and Ford Model                |                       |
| Weighted Least Squares                          |                       |
| Social Network Analysis                         |                       |

#### INTRODUCTION

#### 1. Broader Scientific Research Area

Personal selling has existed for centuries, but the principles behind it have changed over time. The sales evolution began with transactional sales, and in the late 1960s and early 1970s, due to increased competition and the complexity of goods and services, it evolved into consultative customer-oriented sales based on the successful communication between buyer and seller (G. L. Manning, Ahearne, & Reece, 2011). During the 1980s, sales moved to strategic sales, while in the 1990s, partnerships were created through strategic long-term relationships that solve the customer's problems through a win-win philosophy (Paparoidamis & Guenzi, 2009). On today's competitive market, personal selling is a critical element in the efforts of modern companies to achieve organizational success based on customer satisfaction, loyalty and profitable sales volume (R. E. Anderson, 1996). In order to meet the needs of customer, salespeople must work in cooperation with buyers as "helpers" rather than competing with them as "persuaders" (Kirmani & Campbell, 2004).

Personal selling is a promotional vehicle that allows its messages to be adapted and adjusted specifically to meet the communication needs of the receiver. At the same time, it is an extremely costly marketing vehicle (Román & Martín, 2008), particularly when compared with e-alternatives (Spiro & Weitz, 1990). The changes brought by globalized and virtually borderless competition, an increasingly globalized world economy and the recent economic recession are more than evident. Some consequences have been the result of technological changes, such as the replacement of personal selling with Internet sales channels. Yet others have been customer-driven, such as customers' price sensitivity, and increased emphasis on value and a desire for co-creation (Sheth & Sharma, 2008). As a result of such external pressures, sales organizations have had to undergo dramatic changes (Geiger & Guenzi, 2009) and redefine their sales process.

The sales process is a sequential series of seller actions that leads toward the buyers' desired activities and ends with various forms of post-selling services that ensure the buyers' satisfaction (Tomasevic-Lisanin, 2010) in the long term. The essence of the selling process can be summarized as consisting of six stages: prospecting for customers, opening the relationship, qualifying the prospect, presenting the sales message, closing the sale, and servicing the customer (Johnston, Churchill, Marshall, Ford, & Walker, 2005). Storbacka, Ryals, Davies and Nenonen (2009) suggest that the sales process must be two-way: first, collecting customers' information and requirements and feeding them back to their own organization; second, collating organizational knowledge and resources.

The fact that the key to long-term success lies in a relational approach to the buyer-seller interaction has been recognized as one of the most important recent trends in business-to-business (B2B) research (Dwyer, Schurr, & Oh, 1987). The sales literature (e.g. Jaramillo, Ladik, Marshall, & Mulki, 2007; E. Jones, Busch, & Dacin, 2003) has mostly agreed upon the theoretical framework of buyer-seller relationships. At the same time, it is evident that there is a lack of empirical evidence on the interrelationships between various aspects of buyer-seller interaction (e.g., relational behaviour, such as salesperson orientation;

adaptive selling; and the individual characteristics of a salesperson, such as emotional intelligence and moral judgment) and the performance of individual salesperson. There is even less empirical research on buyer-seller relationships in a global (non U.S.) crosscultural context.

The crucial elements in the development of the buyer-seller relationship are salespersons. As the costs of hiring salespersons continue to rise, successful salespersons are becoming increasingly valuable and important (Darmon, 2004). Firms are rightly concerned about the variables that can predict whether a salesperson is a top or bottom performer (Jaramillo & Grisaffe, 2009). Jack Welch, the former CEO of General Electric, said: "Hiring great people is brutally hard." This sentence conveys all of the risks of hiring poor performers. On the other hand, "...hiring the right salesperson, however, might be as simple and economical as trusting an adaptive unconscious or thin-slicing" (Emery & Handell, 2007, p. 17). Therefore, contemporary sales management focuses on the recruitment and selection of capable candidates to sales positions (Piercy, Cravens & Morgan, 1998). Thus, this doctoral dissertation offers new insights into the antecedents of salesperson performance, taking into consideration the behavioural perspective that includes the relational (i.e., customer orientation, selling orientation and adaptive selling) and individual characteristics (i.e., emotional intelligence and moral judgment) of salespeople. The main contribution of this dissertation is in enhancing our understanding of the variables leading to high performance, and helping to understand the interrelationship between those variables.

#### 2. Research Subject

Geiger and Guenzi (2009) have explored future directions for research in personal selling. They report that salespersons' motivations and selling tactics (as a part of the buyer-seller interaction) are seen as highly relevant to both academics and practitioners. These are probably affected by the reality of their central and persistent significance to the selling operation and, as such, will continue to form the backbone of sales research and publication efforts. On the other hand, judged by the attention paid by practitioners and academicians in speeches, textbooks, and scholarly papers, a firm's market orientation (which should be the core of salespeople's behaviour) is at the very heart of modern marketing management and strategy (Narver & Slater, 1990; Storbacka et al., 2009). Therefore, the impact of market orientation, manifested through a salesperson's relational behaviours, on salesperson performance is, in a concise sense, the topic of this doctoral dissertation.

#### 3. Purpose, Aim and Research Objectives

While the sales literature is in agreement on the basic theoretical constructs which facilitate buyer-seller relationships (Saxe & Weitz, 1982; Spiro & Weitz, 1990), as well as the actual nature of the relationship process (Dwyer et al., 1987), no clear understanding exists of the role of the individual relational constructs on a given salesperson's performance (Keillor et al., 2000). This dissertation deepens the existing knowledge of salespersons' performance and its relational antecedents, such as customer orientation, selling orientation and adaptive

selling. The dissertation also emphasizes the influence of the individual characteristics of the salesperson (i.e., emotional intelligence and moral judgment) on relational behaviour and performance. The conceptual framework developed in this dissertation could help both practitioners and academics to gain new knowledge on how emotional intelligence and moral judgment shape a salesperson's behaviour in the process of achieving better salesperson performance.

Therefore, the purpose of this dissertation is to examine the relationship between relational selling behaviour and sales performance, and to explore the role of individual salesperson characteristics (i.e., emotional intelligence and moral judgment) in sales encounters and, indirectly, in sales performance.

The objectives of the dissertation are:

- To examine the association of different types of sales performance as a function of salesperson relational behaviour;
- To offer more insight into the functional form (i.e., linear or curvilinear) of the relationships between sales performance and salesperson relational behaviour;
- To examine the potential moderating effects of moral judgment dimensions on the relationship between salesperson relational behaviour and performance;
- To examine the role of emotional intelligence in relational selling behaviour.

#### 4. Contribution to Knowledge

The dissertation contributes to knowledge in the marketing subfield of personal selling and sales management in terms of its theoretical, methodological and managerial aspects.

The doctoral dissertation offers a comprehensive and systematic overview of previous theoretical knowledge and empirical research by developing a conceptual model built upon contingency theory and tested through empirical research, which addressed gaps in the existing literature. The proposed theoretical approach to salesperson performance takes into consideration both relational salesperson behaviour and individual salesperson characteristics. This new view is extremely important because past studies have often been concerned with how a particular salesperson relational characteristic (i.e., adaptive selling) is related to different outcome variables (such as job satisfaction and organizational commitment, company performance). Moreover, relatively few studies have directly connected salesperson relational characteristics to actual salesperson performance, despite the fact that performance is an important variable for both managers (Stevens & Kinni, 2006) and academics (E. Jones et al., 2003). Even fewer studies take into consideration the role of individual salesperson characteristics (i.e., emotional intelligence) in sales encounters. In the model presented in this doctoral dissertation, we examine the influence of different salesperson relational characteristics on individual salesperson performance, taking into account the important influence of individual salesperson characteristics on established relationships. Therefore, this doctoral dissertation introduces a theoretical framework for salespersons' recruitment through their emotional intelligence and moral judgment, which shape relationships between salesperson relational behaviour and salesperson performance.

Moreover, this dissertation contributes to the current base of knowledge by investigating the curvilinear effect of salesperson performance outcomes, such as selling orientation and customer orientation. We also introduce a new empirical perspective on the examination of higher order reflective-reflective variables (i.e. Moral Judgment) following Lee and Cadogan's (2013) suggestions that in order to fulfil the unidimensional criterion on both levels of a reflective higher-order construct one should model first order dimensions as factors independent of each other.

Methodological contributions lie in the detailed review of the acquired knowledge about constructs, obtained through the empirical research. Therefore, it tests the proposed scales in different environments and (dis)confirms their universality. Studies of this type have mostly been conducted in the U.S. and Asia. To the best of our knowledge, there has been no similar research on this broad topic in the selected countries: Bosnia and Herzegovina, and Croatia, as well as in Europe (with the exception of Herche, Swenson, & Verbeke, 1996). Thus, this t doctoral dissertation offers new knowledge about constructs and raises awareness of the importance of regional studies in order to enhance regional sales performance. The thesis contributes to the understanding of industrial salespersons in the context of this geographical area, and therefore in all emerging markets. Given the different contexts where research was conducted, measurement invariance examination is also applied which can be seen as an independent contribution of the doctoral dissertation. Moreover, the methodological contribution of the dissertation is in its rigorous empirical examination, including a wide variety of methods and techniques.

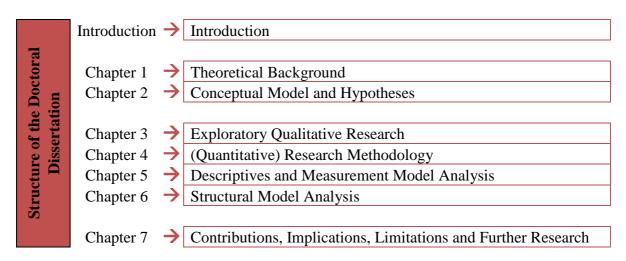
The dissertation has important managerial implications by assisting practitioners in building an understanding of sales performance antecedents. Based on the findings of this research, practitioners should be able to understand who will be a successful seller based on his/her individual characteristics. One of the dissertation's results is the development of a process model that will allow companies to profile higher-performing salespeople (based on their emotional intelligence and moral judgment). By testing the moral judgment and emotional intelligence of a salesperson, it should be possible to understand whether he/she will be able to use adaptive selling and particular orientations and whether this will result in top performance. In this way, the recruitment process could be easily incorporated into company plans. The findings of the doctoral dissertation also emphasize the importance of individual trainings that could focus on improvement of relational selling behaviour through improvement of emotional intelligence and development of the moral judgment characteristics of individual salespersons.

Nevertheless, by following the curvilinear approach to customer orientation and selling orientation practitioners could learn from this doctoral dissertation that "the-more-CO-the-better" approach should be left in the past, and should try to investigate the optimal level of customer orientation for the specific company. Moreover, we bring sales managers a new perspective on selling orientation by proving that sometimes fostering usage of SO can be positive for the company.

#### 5. Structure of the Doctoral Dissertation

This doctoral dissertation begins with an introduction which is followed by seven chapters (as illustrated in Figure 1): (1) Theoretical Background; (2) Conceptual Model and Hypotheses; (3) Exploratory Qualitative Research; (4) (Quantitative) Research Methodology (5) Descriptive and Measurement Model Analysis; (6) Structural Model Analysis, and ends with (7) Contributions, Implications, Limitations and Further Research. The contents of the chapters are briefly described.

Figure 1. Structure of the Doctoral Dissertation



The beginning of the dissertation, the Introduction, provides an overview of the broader topic area. In addition, different issues are stated, together with research objectives, and an assessment of the contribution to the field of knowledge is suggested. Accordingly, methods such as description, compilation, generalization and synthesis are used.

The first chapter of the dissertation analyses the theoretical framework for all constructs of interest, such as salesperson performance, customer orientation, selling orientation, adaptive selling, moral judgment and emotional intelligence. All relevant elements for the conceptualization of each construct are covered. This includes the analysis of journal articles, scientific books and relevant web sources. Methods, such as description, compilation, co-citation analysis, deduction and induction, are used in this chapter. The next chapter is a kind of logical extension of the previous chapter. In Chapter Two we provide an overview of the previous empirical studies that are used to build upon our conceptual model and proposed research hypotheses.

The section that follows focuses on empirical research. It starts with Chapter Three in which we briefly describe an exploratory qualitative study that was conducted with five key informants. In Chapter Four we discuss in detail the characteristics of the methodology used for quantitative research. In addition, every single construct is operationalized, and the process of selection of measurement is explained in detail, together with the studies that used a particular measurement instrument. The procedure obtained in the pre-test is given and results are presented. The data collection process is also described.

Chapter Four presents the results of descriptive analysis together with an analysis of the measurement model of the main study. In this part we differentiate between respondents from Bosnia and Herzegovina, and Croatia. Sociodemographic characteristics of both samples are analysed, with special attention to the sales-related data obtained from respondents. In the next, fifth, and most extensive part of the dissertation, the measurement model is analysed for each proposed construct in both samples. In addition, a measurement invariance test is conducted as a prerequisite for testing the hypotheses. Throughout Chapter Five we use different statistical methods, including univariate, bivariate and multivariate. Hence, SPSS 20 and LISREL 8.71 are employed as statistical programmes.

In Chapter Six the hypotheses related to the relationships between the constructs of interest are tested. The model is tested first on the calibration sample (Bosnia and Herzegovina) and then on the validation sample (Croatia). Structural equation modeling is applied in the model-testing phase. While discussing the hypotheses, implications are also briefly summarized and discussed.

The doctoral dissertation ends with Chapter Seven, in which research implications are given. Theoretical and methodological contributions are elaborated and managerial implications are presented. Finally, the limitations of the research, as well as further research possibilities, are examined.

#### 1. THEORETICAL BACKGROUND

This chapter focuses on the establishment of a theoretical framework for all constructs that will be used further on in a conceptual model. To achieve this objective, the chapter is organized into seven components. The first part introduces some of the important changes that sales practice and sales research have experienced in recent decades. The second part presents the theoretical background for salesperson performance, with a special focus on the differentiation between behavioural and outcome performance. In the third part, customer and selling orientation concepts are discussed, followed by the fourth part, which presents a contingency framework model for adaptive selling. In the fifth part of the chapter the moral judgment construct is explored, followed by an explanation of the emotional intelligence construct. The seventh part presents a co-citation analysis of emotional intelligence papers referred to in Web of Science, resulting in an emotional intelligence chronological science map.

#### 1.1. A Century of Change in Sales Practice and Academic Research

In the last century many things changed, influencing different aspects of everyday life, business practice, and academia. Little remains the same from the time when the ad "Salesmen Wanted: Must be aggressive, self-starter, able to work with people. High earnings for the right man" was published in newspapers in the United States. The ad was brought to the academic community by Belasco (1966) as the opening sentence of his paper published in the Journal of Marketing. If we analyse the message of this ad from the perspective of contemporary sales management, we find that it is absolutely inconsistent with the postulates of current sales management. If we ignore the message and focus solely on the form of the ad, we can see that the ad is not gender sensitive at all. But that is not the only example in the sales literature of that period. Walker et al. (1977) wrote that: "Each sales executive works out his own ideas about how to manage a sales force from an assortment of "principles" he inherits from his predecessor, the customs of his industry, the expectations and demands of his superiors, and his own assumptions about what motivates salespeople and what leads to good sales performance". Similar examples of masculine writing can be observed in most of the academic papers of the 1970s (e.g. Belasco, 1966; Spiro & Perreault, 1979; Walker, Churchill, & Ford, 1977). Today the situation is much different: as women have become increasingly involved in academic life and in sales professional practice as well, scholars are using different ways to express gender identities. Therefore, readers no longer understand the word *man* to be synonymous with *people*. This is a very banal example of the changes that have recently occurred.

Previously elaborated changes are only the beginning of the revolution in sales literature and practice. The expansion of global markets has provided sales firms with tremendous opportunities for growth and expansion (J. D. Hansen, Singh, Weilbaker, & Guesalaga, 2011) while presenting unique challenges for sales practitioners and academics. In order to identify major changes in a sales context, Storbacka et al. (2009) conducted a case study analysis with large global companies (i.e., construction, power solutions, building technology, and electronics and software) that changed their existing sales process to adapt to new circumstances. Their findings revealed that sales is increasingly about process,

rather than about a series of separate transactions carried out by a specific function. It is no longer possible to determine what the starting point is and what the end-point is in the sales process of delivering customer value. In addition, one of the most visible changes comes from the increasingly complex work environment. Products that are to be offered to customers have become more complex and tied with complementary services, while the product life cycle is getting shorter. Collaboration and teamwork are becoming essential, while companies are more and more interested in the accountability of people at every step of the process. Organizations have a large demand for sales trainings and some are trying to find a way of how to measure the accountability of those educational investments (i.e., to show the benefits of sales training by proving salespeople's improvements in their skill sets) in terms of needs assessment, program design, and evaluation (Lassk, Ingram, Kraus, & Di Mascio, 2012). Accountability should be even more important if we know that despite investments in sales trainings, customer satisfaction has declining rates in many organizations (Ingram, LaForge, Locander, MacKenzie, & Podsakoff, 2005). Therefore, Jones et al (2005) concluded that all changes are characterized by environmental complexity, collaboration, and accountability. Last but not least, one of the major changes brought about by the twenty-first century is internationalization as a significant accelerator that has influenced almost all companies worldwide (Baldauf & Lee, 2011). Resulting from the abovementioned changes, measuring sales performance within the company is becoming increasingly complex (Verbeke, Dietz, & Verwaal, 2011). Some companies have even become concerned whether good salespeople are born or made (Shannahan, Bush, & Shannahan, 2013).

If we look at sales from the perspective of the customer, we see that customers seek the advice and expertise of salespeople, and that they want to deal with trustworthy salespeople especially when making complex or expensive purchases. However, according to The Sales Board (2012), 82% of salespeople are out-of-sync with the customer. In addition, a recent study by The Forum Corporation (2008) conducted on 391 salespeople and 557 customers from a cross section of industries highlights that 45% of the customers would love that their salespeople are more customer focused, while only 39% of customers who met salespersons in face-to-face sales calls thought that salespersons actually understood their needs. These facts led us to think that the gap between academic concepts and practice is large, calling for further research. Therefore, after briefly reviewing the changes that have influenced sales practices, we engage the abovementioned changes to knowledge brought up by the academic community.

In general, the discipline of personal selling and sales management has matured, and its importance as a sub-discipline of marketing has increased considerably (Asare, Yang, & Alejandro, 2012). However, Jones et al. (2005) note that much of academics' knowledge of sales rests on models and assumptions that were advanced in past decades, and which should be revised in light of the rapidly evolving demands of the marketplace. Therefore, many recent articles (Asare et al., 2012; Evans, McFarland, Dietz, & Jaramillo, 2012; Geiger & Guenzi, 2009; Ingram et al., 2005; Mantrala et al., 2010; McClaren, 2013; Plouffe, Williams, & Wachner, 2008) have struggled to define gaps that should be researched in the future, suggesting special attention be given to sales management control (Baldauf, Cravens, & Piercy, 2005), sales leadership research focusing on different levels

from senior leadership, through sales field leadership to leadership at the level of the salesperson (Ingram et al., 2005), ethics in sales management (McClaren, 2013), cultural intelligence in a sales context (J. D. Hansen et al., 2011), international sales research (Panagopoulos et al., 2011), and the role of emotional intelligence in sales (Lassk & Shepherd, 2013).

Based on content analysis of 1200 sales papers from a period of more than 20 years, Plouffe et al. (2008) came to an interesting finding that the overall volume of sales research has increased considerably, while the number of articles published in "A-level' marketing journals (i.e., *Journal of Marketing, Journal of Consumer Research, Journal of Marketing Research, Marketing Science*) has declined. It is also interesting to note that most of the sales research still conducted in the developed Western societies (i.e., the United States and EU-15) are carried out primarily by U.S. based academics with a significant minority of European scholars (Baldauf & Lee, 2011; Geiger & Guenzi, 2009; Panagopoulos et al., 2011). This means that knowledge on how sales is conducted in other less-developed countries is still not researched. That is why the *Journal of Personal Selling & Sales Management* 31(3) dedicated a special issue to International Selling and Sales Management, stating in an editorial that the growing number of countries and firms participating in international competition cannot be ignored (Baldauf & Lee, 2011).

Another research opportunity seen by Panagopoulos et al. (2011) stems from the lack of focus on theory development in prior work. Finally, there might be opportunities to explore and uncover new promising constructs (i.e., Emotional Intelligence) that have the potential to enrich our knowledge of sales processes and activities.

In our study, we combine substantial knowledge (performance, adaptive selling, customer orientation and moral judgment) with familiar but under-researched constructs (selling orientation) and with relatively new and under-researched constructs in the sales context (emotional intelligence) through cross-national research conducted in two under-researched countries (Bosnia and Herzegovina, and Croatia). Prior to conceptual model, all of the abovementioned constructs of interest are discussed in Sections 1.2., 1.3., 1.4., 1.5., and 1.6.

#### 1.2. Salesperson Performance

Considering that organizational performance accounts for a cumulative representation of individual outcomes (Schultz & Good, 2000), it is clear why salesperson performance was one of the key issues that was discussed in the first known paper on personal selling, which was published in 1918 (Oschrin, 1918). Since that period and up to the recent economic downturn, the determinants of sales performance have remained unresolved (Singh & Koshy, 2010) and unpredictable. Since performance shapes promotion, pay, and termination decisions (MacKenzie, Podsakoff, & Fetter, 1993), understanding the factors that affect performance is extremely important. That is why it is not unusual that salesperson performance is one of the most studied yet one of the most mysterious constructs in the marketing literature (Shannahan et al., 2013).

The issue of salesperson performance has been addressed in a number of studies in the marketing literature (e.g. Churchill, Ford, Hartley, & Walker, 1985; Deeter-Schmelz & Sojka, 2007; Plouffe, Hulland, & Wachner, 2009; Singh & Koshy, 2010; H. Sujan, Weitz, & Kumar, 1994). Very often, the results have been contradictory, resulting in an incomplete understanding of the construct. This is partly influenced by the fact that it is not always clear what is meant by the term *sales performance*. Is it the individual performance of a single salesperson or is it the performance of the sales department? For the sake of clarity in this doctoral dissertation, the term *salesperson performance* refers to the performance of the individual salesperson, since that is the essence of our research.

One of the first models of salesperson performance that identified variables that could impact salesperson performance was presented by Walker, Churchill and Ford (1977) and named the WCF model. The original WCF model (1977) heavily used the knowledge of industrial psychology. It argued that a salesperson's job performance is a function of three basic factors: level of motivation, sales aptitude or ability, and perceptions about how his/her role should be performed. The model implied that the relationships among these three factors are multiplicative. In addition, it identified the determinants of a salesperson's performance as being personal, organizational, and environmental variables (e.g., intelligence, education, product type, training programs, industry demand conditions, unemployment). Although the original WCF model aimed to explain the salesperson performance construct, it did not contain sales specific elements. Therefore, the model was improved in the next iteration two years later. Walker, Churchill and Ford (1979) suggested an improved WCF model, which included sales behaviours. This later model, as its predecessor, is an expectancy model asserting that salesperson performance leads to rewards, which leads to job satisfaction, which leads back to motivation, creating a cycle of performance (please see Figure 2).

Personal, Organizational and Environmental Variables

Motivation

Behaviour / Performance

Aptitude

Relevant Selling Activities

Skill Level

Goals and Objectives of Company

Type of Sales Job

Figure 2. Walker, Churchill and Ford's (1979) Model of Sales Performance

Source: Walker, O. C., Churchill, G A., & Ford, N.M., Where do we go from here?, 1979, p. 97

Walker et al. (1979) defined performance as "behaviour that has been evaluated in terms of its contribution to the goals of the organization" (p. 33). Therefore they claimed that

performance measures behaviour and is normatively reflected in whether the behaviour was "good" or "bad" relative to the organization's goals and objectives. From this statement, it is evident that salesperson performance output is the result of different salespersons' activities. This explanation has been used for the development of further knowledge on sales performance. Moreover, Walker et al. (1979) claimed that salesperson performance is derived from a number of specific activities, which may vary greatly across different types of selling jobs and situations. Based on the notion provided by Walker et al. (1979), many authors later on tried to define all of the possible salesperson activities.

It is interesting to note that the WCF model is concerned only with the salespersons' perspective, without addressing the salesperson - customer interaction. Nevertheless, the contribution of the WCF model to the body of knowledge in terms of salesperson performance conceptualization is undoubtedly large. However, the WCF model obtained poor explanatory value in terms of what determines sales success. As such, scholars continued to develop models that would have better explanatory value. Moreover, efforts have been focused on establishing a model that would capture the dynamics between the salesperson and the customer.

One of the most dominant theories about salesperson performance that incorporates the buyer-seller relationship is Weitz's (1981) Contingency Framework Model (CFM). Weitz (1981) stated that four types of salesperson behaviours (adapting to customers, establishing influence bases, using influencing techniques and controlling sales interaction) directly impact salesperson effectiveness, and this impact is moderated by the relationship between the salesperson and the customer, the salesperson's resources, and the characteristics of the buying task (please see Figure 3).

Characteristics of the Salesperson - Customer Relationship - Level of the Conflict, bargaining - Relative power - Quality of the relationship Anticipation of future relationship **Selling Behavior** - Adopting to customers - Establishing influence bases **Effectiveness** - Influence techniques used - Controlling the sales interactions Resources of the Characteristics of the Salesperson **Customers buying situation** - Product, customer, knowledge - Needs, beliefs - Analytical, interpersonal skills - Knowledge of alternatives - Availability of alternatives - Characteristics of the buying task

Figure 3. Contingency Framework Model of Salesperson Effectiveness

Source: Weitz, B.A., Effectiveness in sales interactions: a contingency framework, 1981, p.90

In setting up the model, authors were led by the analogy in behaviour in personal selling and leadership. In order to include knowledge and motivation, the model was improved and elaborated by Weitz, Sujan and Sujan (1986), and will be explained in Section 1.4.

If we try to compare the CFM model (1981) with the WCF model (1979), we can observe that in CFM the authors are researching a construct named *effectiveness*, and in WCF a construct named *performance*. Effectiveness "in sales interactions is defined by the degree to which the "preferred solutions" of salespeople are realized across their customer interaction" (Weitz, 1981, p. 91). If we remember that Walker et al. (1979) define performance as "behaviour that has been evaluated in terms of its contribution to the goals of the organization" (p. 33), it could be concluded that Weitz's definition of sales effectiveness is what WCF (1979) considers salesperson performance. Even though the CFM (1981) definition does not explicitly consider customer satisfaction, customer satisfaction is considered implicitly because effectiveness is defined across customer interactions.

Churchill et al. (1985) conceptualized salesperson performance as the sum of behaviour, performance and effectiveness. Behaviour refers to the salesperson's tasks on which he/she expends effort; performance refers to behaviours that contribute towards the realization of their organizational goals; and effectiveness refers indirectly to their behaviours as a function of additional factors that are not under the control of any individual salesperson. This definition started new disputes among researchers on the relationship between salesperson performance and effectiveness. Two years later, Anderson and Oliver (1987) offered new insight into salesperson performance and conceptualized it as the evaluation of salespeople based on what they produce (i.e., sales outcomes) as well as what they do (i.e., sales behaviours). They suggested that one should evaluate salesperson performance in two ways: what they do (e.g., sales planning) and the outcomes (e.g., sales results) that are attributed to them. Therefore, they introduced studying salesperson performance as behavioural performance and outcome performance. Behavioural performance is concerned with the various skills and activities that are important to fulfilling the responsibilities of the sales job, while outcome performance is made up of the results attributable to the salesperson (i.e., traditional measures of sales, market share, new accounts) (Piercy, Cravens, & Morgan, 1998). In order to foster knowledge about the antecedents of performance, Baldauf, Cravens, and Piercy (2005) also suggest considering salesperson performance in terms of behaviour and outcome dimensions. They explain behaviour performance (PERFB) through the fact that salespeople spend a lot of their time on activities that are part of their job responsibilities (e.g., reporting to management, establishing relationships with customers) but that do not have sales as a direct result. The quantitative results (outcomes) that salespeople achieve via their efforts and skills represent their outcome performance (PERFO). This individual outcome performance should represent an outcome that is attributed directly to the individual salesperson. Usually this is obtained by developing individual sales plans or quotas. Interestingly, previous studies focusing on personal selling per se, usually did not take this twodimensional approach to salesperson performance. At the same time, sales control literature (Cravens, Ingram, LaForge, & Young, 1993; Jaworski & Kohl, 1991; Miao & Evans, 2007) suggests a positive causal relationship between behavioural performance and outcome performance. In line with the course of argumentation raised by Evans et al. (2012), who claimed that contemporary sales practice needs multiple conceptual or substantive types of sales performance achievements, this study differentiates and focuses on both behavioural and outcome performance.

Consequently, Deeter-Schmelz and Sojka (2007) claim that, no single trait, or set of traits, have emerged as a reliable predictor of salesperson performance. Therefore, firms should focus attention on multiple factors that together create a performance-oriented culture. So far, many factors have been studied as antecedents of a salesperson's performance, such as cognitive variables (e.g. H. Sujan et al., 1994), personality variables (e.g. Saxe & Weitz, 1982), situational variables (e.g. Weitz, 1981), communication-related variables (e.g. Johlke, 2006), behavioural variables (e.g., Dixon, Spiro, & Jamil, 2001) and customer orientation (e.g. Jaramillo & Marshall, 2004). Churchill et al. (1985) identified factors affecting performance that were ranked as follows: personal factors, skills, role variables, aptitude, motivation and organizational/environmental factors. Deeter-Schemelz and Sojka (2007) identified the need for cognition and self-monitoring as salesperson performance predictors.

Salesperson performance is central to organizational success due to its impact on organizational survival and growth (Levy & Weitz, 2011), which is why it was a commonly studied variable in the past. Recently, Singh and Ksohy (2010) presented a review on salespersons' performance in a B2B context, focusing on the conceptualizations of the salespersons' performance construct and its determinants. They concluded that future research must focus on context-specific selling situations to identify the contextual skills required to perform critical customer-centric activities. Up to now, little variance has been explained by any of the abovementioned groups of determinants of salesperson performance (Jaramillo, Ladik, et al., 2007).

Conceptualization of the salesperson performance construct concludes here, leaving enough space for developing the relationship between the salesperson performance construct and other constructs in the model (please see Chapter 2) and operationalization (please see Chapter 4).

#### 1.3. Customer and Selling Orientation

Salesperson orientation is a construct that has been conceptualized and operationalized mainly through personal sales (e.g., Saxe & Weitz, 1982) and marketing services literature (e.g., T. J. Brown, Mowen, Donavan, & Licata, 2002). In both streams of the literature it is considered through two sub-constructs, namely, *selling orientation* (SO) and *customer orientation* (CO). This comes from the fact that during sales encounters personal sales could be deployed through either the selling orientation or the customer orientation (Saxe & Weitz, 1982). Discussion about the existence of SO and CO has existed for a number of years. However, prior to 1980, only a few published studies presented empirical data linking sales activities to a CO or SO perspective. In the text that follows we emphasize the view of SO and CO as presented in the personal sales literature.

According to the SO concept, the salesperson seeks to stimulate demand for the services or products being sold rather than selling services or products in response to customer needs (Saxe & Weitz, 1982). SO occurs when salespersons are primarily directed toward selling activities (Schultz & Good, 2000) meaning they are internally oriented towards achieving sellers' benefits. It appears that SO is initially directed to satisfying the short-term needs of the seller. Therefore, SO salespersons in the process of satisfying their needs are probably willing to sacrifice customer satisfaction in exchange for the opportunity to successfully sell the product or service (Rozell, Pettijohn, & Parker, 2004). In this type of selling process, some long-term benefits may accrue, but with at least two types of costs: short-term returns for long-term dividends and additional efforts that are required in order to reach a profit (Huang, 2008).

Evidently, many organizations operate in a selling-oriented environment, yet scholars (e.g., Guenzi, De Luca, & Troilo, 2011; Harris, Mowen, & Brown, 2005; Periatt, LeMay, & Chakrabarty, 2004) still argue that the literature is deficient in terms of SO research that would be beneficial for theory and practice. "We have only scratched the surface of this important managerial issue" Guenzi et al. (2011, p. 281) stated.

Today, most of the published sales literature states that CO selling is mandatory for the contemporary salesperson (Keillor et al., 2000). In studies conducted in the past, the core meaning of CO remained relatively consistent but conceptualizations varied considerably. It has been conceptualized as a selling method (Weitz et al., 1986), a selling behaviour (A. Sharma, Levy, & Kumar, 2000), a salesperson characteristic (Baldauf & Cravens, 1999), communication (Gillis, Pitt, Robson, & Berthon, 1998), an antecedent of job attitudes (Keillor et al., 2000), an antecedent of performance (Boles, Babin, Brashear, & Brooks, 2001), a dimension of customer trust (Swan, Trawick, & Silva, 1985), an antecedent of customer relationship development (Schultz & Good, 2000), and a measure of performance (G. Brown, Widing, & Coulter, 1991). In the area of marketing services, Brown et al. (2002) conceptualized CO through meeting customer needs and enjoyment in selling. Homburg, Muller and Klarman (2011a) differentiate between functional and relational customer orientation. They defined functional CO as a "set of task-related behaviours aimed at helping customers make satisfactory purchase decisions" (p. 798), while relational CO was conceptualized as "a set of behaviours aimed at establishing a personal relationship with a customer" (p. 799). In addition Homburg, Muller and Klarman (2011b, p. 56) also define salesperson CO in sales encounters "as the degree to which a salesperson identifies and meets customer needs and interests in the different stages of a sales encounter." Singh and Koshy (2012, p. 76) have provided the most recent definition of CO as "customer-centric behaviour, which includes gathering and disseminating information relevant for customers to understand and continuously fulfil their hierarchy of latent needs, and to keep them satisfied by creating and delivering value through long-term relationships". They explain that the main contribution of their definition is in the fact that sales managers following their definition understand the conditions under which a particular domain area is important for customers.

In our study, we follow the prevailing conceptualization of CO offered by Saxe and Weitz. Based on their empirical research, Saxe and Weitz (1982) characterized CO selling through

six dimensions: (1) the desire to help customers make satisfactory purchase decisions; (2) helping customers assess their needs; (3) offering products that will satisfy those needs; (4) describing products accurately; (5) avoiding deceptive or manipulative influence tactics; (6) avoiding the use of high pressure. Their view (which we do not support fully, more explanation will be offered in Section 2.3) of CO is the reverse behaviour of SO, conceptualized as the "degree to which salespersons practice the marketing concept at the level of an individual by trying to help their customers make purchase decisions that will satisfy customer needs" (Saxe & Weitz, 1982, p. 343). The marketing concept (i.e., orientation) implies that sales goals are achieved by determining customer needs and wants, and then delivering desired value more effectively and efficiently than competitors (Kotler & Keller, 2011). With its introduction under the concept of the marketing orientation of companies (e.g., Narver & Slater, 1990; Rindfleisch & Moorman, 2003) as well as individual employees, especially salespersons (Baldauf & Lee, 2011; Boles et al., 2001; Licata, Mowen, Harris, & Brown, 2003), CO has become a key mainstream construct in the marketing literature.

Highly CO salespeople have a high concern for others and themselves, whereas salespeople with low CO show low concern for others and high concern for themselves (Schwepker, 2003). CO salespeople focus on the needs of the customer, which in turn, typically suggests a willingness to work with clients over extended periods. Therefore, CO selling should lead to long-term relational alliances (Schultz & Good, 2000). CO requires that a seller understands the buyer's entire value chain (Day & Wensley, 1988), not only as it is today but also as it evolves over time subject to internal and market dynamics. Therefore, CO requires additional time and greater expenditure of effort (Guenzi et al., 2011) to collect data about (present and future) customer needs and to demonstrate how a company's products can satisfy those needs. Expenditure of additional time could be seen as an opportunity cost because time spent engaging in those additional activities might be spent more productively on SO, in attempting to persuade the customer or in calling on other customers. This leads to conflicts in the practice of CO. It is well known that salespeople are expected to sell a firm's products and/or services in order to generate immediate profits. At the same time, CO salespersons are expected to build customer satisfaction and long-term relationships in order to promote lifetime customers and ensure long-term economic benefits. In order to achieve long-term relationships, CO salespeople should sacrifice short-term sales if needed, which means that they might not be able to reach (short-term) sales quotas and generate immediate profits.

The position of CO towards SO has been inconsistent through time. Saxe and Weitz suggest that salespeople behave somewhere between high CO and low CO which they characterized as SO. Therefore, SO and CO are taken as two extremes of the same continuum. However, new findings recently presented by Guenzi et al. (2011) suggest that salespeople's CO and SO should not be considered as polar opposites on the same continuum. Rather, they are different (although related) constructs that can coexist in the

<sup>&</sup>lt;sup>1</sup> The cost of any activity measured in terms of the value of the next best alternative that is not chosen.

same company but are necessarily characterized by opposite relationships with antecedents and consequences. This has also been confirmed by Jaramillo et al., (2007) who suggest the possibility that CO and SO are two different aspects with diverse antecedents and consequences.

Thirty years ago Saxe and Weitz (1982, p. 343) asked the question: "Is CO behaviour universally effective, or does its effectiveness depends upon context factors? Is a CO universally effective for all salespeople?" Concrete answers were not offered through the literature, until today. While CO was, and still is, the preferred sales relational behaviour SO has often been discredited through the literature. However, there are also research findings that have refuted the negative reputation of SO. A salesperson's use of SO is not found to be significantly negatively related to customer satisfaction (Boles et al., 2001; Goff, Boles, Bellenger, & Stojack, 1997; Tam & Wong, 2001) nor to job performance (Boles et al., 2001). Moreover Wachner, Plouffe, and Grégoire (2009) found that both CO and SO have a positive impact on performance (although they expected SO to be negatively related to performance). In addition, Guenzi, De Luca, and Troilo (2011) discovered that CO has a positive and significant impact on superior customer value creation, while on the contrary SO did not show a significant impact at all. Boles et al. (2001) explain this through the assumption that it may be that customers expect salespeople to engage in SO behaviour to some extent.

Therefore, it seems that it is still unclear what the influence of SO on outcome variables is (i.e., salesperson performance). This study will offer some possible solutions through examination of the relationship development between the SO construct and salesperson performance (please see Chapter 2). In addition, further information regarding the operationalization of both SO and CO is given in Chapter 4.

#### 1.4. Adaptive Selling

The idea related to *adaptive selling* (AD) came to sales literature from psychology. Adaptive selling is a type of adaptive behaviour, that was first conceptualized by George Kelly (1955), who is considered the father of cognitive clinical psychology through his Personal Construct Theory (also known as the Theory of Personality). Kelly assumed that adaptive people constantly revise, update and develop personal attitudes, in order to match new information that they experience from elements in the environment. His theory of personality describes people as dynamic and interactive with their environment.

In the sales literature, the term *adaptive selling* is often used synonymously with terms such as salesperson adaptiveness and adaptive selling behaviour. In this doctoral dissertation the original term - adaptive selling - is used. Adaptive selling as a determinant of sales performance became a topic of interest in the early 1980s through Weitz and his associates (Saxe & Weitz, 1982; Weitz et al., 1986; Weitz, 1978, 1981) when they for the first time incorporated adaptive selling into a conceptual model of salesperson performance. They explained that when a salesperson is delivering the same "canned" presentation to all customers we can speak of non-adaptive selling behaviour. In contrast, a salesperson who is always trying to develop a unique behaviour pattern oriented to each

customer and who is able to dramatically change his/her behaviour is to be considered adaptive. Therefore, Weitz, Sujan and Sujan (1986, p. 175) defined adaptive selling as the "altering of sales behaviours during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation." The extent to which salespeople use adaptive selling behaviour is reflected in the following five facets (Spiro & Weitz, 1990):

- 1. Recognition that different customers need different sales approaches;
- 2. Confidence in using a number of approaches;
- 3. Confidence in changing approaches during a selling interaction;
- 4. Collection of information to facilitate selling adaptation;
- 5. Actual use of different selling approaches.

Sujan, Sujan and Weitz (1994, p. 40) also defined the "working smart" concept as behaviour directed toward developing knowledge about sales situations and utilizing that knowledge during sales encounters. In the contemporary sales literature, "working smart" is generally considered adaptive selling (Holmes & Srivastava, 2002). In addition, Sujan, Sujan and Weitz (1994, p. 40) also defined the construct of "working hard". Salespersons who are "working smart" invest time to channel their efforts in the most appropriate way. The construct of "working hard" is interested in the overall amount of effort invested to achieve sales goals. Sujan, Sujan and Weitz (1994) suggested that both constructs (working smart and working hard) have a positive influence on salesperson performance.

The positive influence of adaptive selling behaviour on sales performance was proved and explained by various empirical studies in the past (e.g., Keillor et al., 2000; Park & Holloway, 2003; Spiro & Weitz, 1990). However, one should be aware of the costs that are linked to adaptive selling behaviour. The most obvious cost is the time required to invest in additional efforts in order to collect information from customers (e.g., Weitz, 1981) which allows the salesperson to develop a unique behaviour pattern oriented to each customer. Therefore, adaptive selling is desirable and effective in the long-term only in the case when the benefits of the approach outweigh the costs needed for appropriate preparation. Thus adaptive selling should be used in cases when the sales generated through the practice of adaptive selling outweigh the cost of selecting and training salespeople to collect relevant information from their customers and utilize this information appropriately (Spiro & Weitz, 1990). Román and Iacobucci (2010) conducted research on the key antecedents and consequences of adaptive selling. In their model, they distinguished between the attitudinal and behavioural aspects of adaptive selling. They explained that in order to be successful, salespeople must be able to practice adaptive selling, but also be confident that they are able to do so. In addition, Giacobbe, Jackson, Crosby and Bridges (2006) point out that adaptive selling is useful when the sales offer is complex, when the seller has many alternatives to offer, when the customers' needs are considerably diverse, and the sales relationship is expected to produce future profit opportunities.

A significant number of studies over the past 30 years have investigated the role of adaptive selling in relation to a number of personal selling variables, including salesperson individual characteristics and abilities, situational variables, and multiple measures of sales

performance (Giacobbe et al., 2006; Robinson, Marshall, Moncrief, & Lassk, 2002; Román & Iacobucci, 2010). In summary, adaptive selling increases a salesperson's outcome performance and customers' evaluations of satisfaction with the product and with the salesperson, which enhance customers' anticipation of future interactions with the salesperson (Román & Iacobucci, 2010). Notarantonio and Cohen (1990) argued that adaptive selling should be a necessary condition for salesperson performance and even for effective managerial performance. This link can be seen from the definition of adaptive selling, because an individual who is able to alter his/her own behaviour during an interaction with other individual(s) could use the same behavioural pattern not only in sales encounters but also in interpersonal relations with subordinates. Consequently, it is clear why interpersonal behaviour that has a positive impact on salesperson performance (Spiro & Weitz, 1990) could also have a positive impact on managerial performance as well. The most frequently investigated direct relationships are between adaptive selling and sales performance and selling experience (Anglin, Stolman, & Gentry, 1990; Giacobbe et al., 2006; Keillor et al., 2000; Park & Holloway, 2003; Siguaw, Brown, & Widing, 1994; Spiro & Weitz, 1990; H. Sujan et al., 1994; Verbeke, Belschak, & Bagozzi, 2004).

In order to improve salesperson performance, marketing scholars have been searching for optimal personal sales strategies. The basic concept is that there is no single best way to sell, and therefore a good salesperson will be adaptive enough to select and implement a sales strategy based on the buyer's personality (Román & Iacobucci, 2010). This suggests that adaptive selling should work better than any other medium of communication because sales professionals should be able to develop a unique message for each customer. Therefore, in order to be successful, a salesperson must behave adaptively and be able to adapt selling strategies to the needs of each customer. This could be even more important if we take into consideration constant changes in technological development and improvement in the way in which the sales job is conducted. Therefore, adaptability is one of the most desirable characteristics in contemporary business practice. It is important to note that capability coaching and diagnostic feedback can help salespeople hone their adaptive knowledge and skills (Miao & Evans, 2013).

However, effectiveness is not part of the adaptive selling definition. This implies that adaptive selling could be done in an effective or an ineffective way. McFarland, Challagalla and Shervani (2006) suggest that effective salespeople are those who match their adaptive selling behaviour to suit the characteristics of the buyers. Conversely, ineffective salespeople are those who were not able to match their selling behaviour to their customers' characteristics. In addition, adaptive selling conceptualization does not specify whether salespersons are acting with the best interests of the customer in mind (Chakrabarty, Brown, & Widing, 2010a) or not. These issues still need to be explained through empirical research.

Conceptualization of the adaptive selling construct concludes here, leaving enough space for relationship development between adaptive selling construct and other constructs in the model (please see Chapter 2) and operationalization (please see Chapter 4).

#### 1.5. Moral Judgment

Based on his empirical research, Marchetti (1997) reported that 49% of sales managers are familiar with the fact that their salespeople have lied during a sales call. This confirms why it is not unusual that the ethics of salespeople has often been called into question. This is even more disturbing when we know that particular research was done not so long ago in a time of glaringly marketing-oriented organizations and win-win relationships. Moreover, Babin et al., (2004) explained that buyers and sellers have different starting points that lead to conflicting interests that may alter the company's performance. While sellers are trying to reach sales plans in prescribed time limits and to make money, buyers are trying to make reasonable decisions. Therefore, salespersons can disregard some ethical considerations in order to make quick profits. In addition, salespersons' moral responsibility regarding information disclosure towards buyers is also open to dispute (Arnold, Beauchamp, & Bowie, 2013). This is why the ethics of salespersons should be an important topic of research in the fields of marketing and business ethics (Chonko & Hunt, 2000; Donoho, Herche, & Swenson, 2003) since it is obvious that there is much to be improved. Lee, Beatson, Garrett, Lings and Zhang (2009) point out that there are not many studies that deal with ethics in personal sales, especially those that have been conducted in environments outside the U.S.A. (Marta, Singhapakdi, Attia, & Vitell, 2004). Therefore, it is extremely essential to examine ethical behaviour in cultures outside the U.S.A., because today's sales activities are global, within cross-cultural variations in ethical behaviour (Wood, 1995).

Ethics is moral philosophy that describes behaviour or a moral action taken (Barry & Robinson, 2002). The Cambridge Dictionary of Philosophy defines ethics as "the philosophical study of morality" (Audi, 2008, p. 244). Morality can be studied in different marketing topics, such as advertising, price discrimination and the practices of salespeople (Bouguerra, Mzoughi, Garrouch, & Bouazza, 2011). In our case, we study morality in salesperson behaviour and performance.

Ethics and morality could be explained with a large number of independent philosophical approaches (i.e., utilitarianism, deontology, justice, egoism, relativism) which posit standards, ideas, rules, and interpretations that sometimes could lead to conflicting evaluations of what is ethical and what is unethical (Reidenbach & Robin, 1988).

Utilitarianism refers to an action which is based on the evaluation of costs and benefits, such that the action will bring about the greatest good for the greatest number (Ferrell, Gresham, & Fraedrich, 1989). For example, it would be unethical for a utilitarian salesperson to use the resources of the company in an act that could lead to personal gain (using a company car for personal reasons during the work day). Deontology refers to an action that is based on moral obligation or commitments (Ferrell et al., 1989). A company's car policy that forbids usage of the company car for private purposes could be seen as deontologically based (as with principles of health and safety). Justice refers to an action based on Aristotelian principles of fairness in treating equals equally (Reidenbach, Robin, & Dawson, 1991). Therefore, penalizing the salesperson who violated the company car usage policy may be deemed unethical if the employee has more tenure with the

company than others. Egoism refers to an action, which is based on evaluation in terms of consequence for an individual (i.e., one's long-term self-interests). For example, an egoistic sales manager might decide not to penalize the salesperson who lied regarding the usage of the company car if that was in the manager's long-term interest (because that particular salesperson is a close cousin of the CEO). Relativism refers to an action the evaluation of which is based on the concept that all normative beliefs are a function of a culture or individual, and therefore, no universal ethical rules exist that apply to everyone (Reidenbach et al., 1991). The salesperson who is led by relativism would explain that he or she was using the company's car for a private purpose because "everyone is doing it".

When discussing ethics in a marketing context, in most cases scholars argue their viewpoints from the philosophical perspective of utilitarianism and/or deontology, but unfairly neglect other philosophical approaches.

Moral judgment is an individual's decision as to whether something is considered ethical or unethical (Schwepker & Ingram, 1996). Some of the most important models of ethical decision-making (e.g., Ferrell et al., 1989; Rest, 1988) state that a moral judgment is enacted prior to engaging in ethical behaviour through one's internal reasoning or thought processes. Therefore, moral judgment serves as a basis for ethical decision-making and should be considered as an antecedent of ethical behaviour (Wotruba, 1990). In addition, previous studies suggested that individuals with higher moral judgment should make more-ethical decisions (e.g., T. M. Jones, 1991). Dubinsky et al. (2004) found support for this claim by conducting research in the sales context, indicating that a salesperson's moral judgment affects his/her intentions to act ethically or unethically.

When making a moral judgment, individuals operate under the influence of the several moral philosophies that were explained above. Therefore, individuals use more than one rationale in making moral judgments and the importance of those rationales is a function of the problematic situation faced by the individual (Reidenbach & Robin, 1990). This means that moral judgment as an antecedent of ethical decision-making should be seen and measured as a multidimensional construct (Henthorne, Robin, & Reidenbach, 1992), as explained in the Chapter 4. Based on research done by Reidenbach and Robin (1990), we discuss three ethical dimensions, namely, moral equity, relativism, and contractualism, which comprise three different ethical philosophies including justice, relativism and deontology. In the sections that follow moral equity, relativism, and contractualism are briefly explained.

Moral equity is conceptualized as the individual perception of fairness and justice, acceptability to family as well as what is right and wrong in the broadest sense (Reidenbach and Robin, 1990). This concept relies heavily on ethical lessons learned in the childhood. Consequently, this dimension draws on ethics training received in one's early years. Patel (2006) revealed that the moral equity dimension is usually the most significant predictor of ethical judgment and intent to behave ethically. Therefore, moral equity is the leading evaluative criterion for moral judgment because it is based on the overall concept of fairness, justice and right (Bouguerra et al., 2011). This implies that moral equity

requires that people be treated equally. In the sales context, that would imply that moral equity requires that salespersons treat all buyers equally.

Reidenbach and Robin (1990) defined *relativism* as a perception of what is right and what is wrong based on guidelines embedded in the social or cultural system, rather than the individual. Relativism refers to an action based on the guidelines of ethical rules that are specific to a culture or social system. This would imply that relativism references the social and cultural perceptions of ethics. Such perceptions are also the result of later (after the childhood) training (Schepers, 2003), because the individual becomes more familiar with tradition and his/her social milieu through the process of growing up, and through education. Given that ethical norms differ between (i.e. cultural, ethnical) backgrounds, this would mean that relativism differs between individuals. Therefore, no universal relativism exists. Therefore, we could expect that the relativism dimension varies from one culture to another, depending on the present cultural context.

Contractualism is conceptualized as an individual perception of what is right and what is wrong based on notions of an implied contract that exists between business and society (Reidenbach and Robin, 1990). Babin et al., (2004) explained that contractualism could be based on the obligation to act according to implicit but also explicit contracts, rules or promises. We could expect that people have a kind of sense of obligation that arises from an unspoken and unwritten contract. Implicitly it could be argued that contractualism also depends upon cultural context, since cultural context influences the perception of the importance of unspoken and unwritten contracts in a particular country (Patel, 2006). The idea of implicit contract and promise inherent in ethical evaluation is especially important for an exchange process, such as personal selling. For example, a newly appointed salesperson can presume that he/she has to preserve the way a previous salesperson in that particular position handled all sales tasks and buyers. Another way is for the buyer to think that the newly appointed salesperson will not follow the same pattern of behavior as the previous salesperson, hoping to have a better relationship with the newly appointed salesperson.

When making a moral judgment regarding an action or behaviour, we take into account many factors, such as lessons learned in childhood (i.e., moral equity), specific cultural norms (i.e., relativism), and social contracts (i.e., contractualism), each receiving a weight in the overall judgment of the ethicality of an action. Interestingly Nguyen (2007) claims that the theoretical dimensions of moral equity and relativism provide a better ground for dealing with ethical issues in life in general than the theoretical dimension of contractualism.

There is a general consensus that ethical selling activity is desirable (Cadogan & Lee, 2009) because of the influence of ethical/unethical behaviour on performance (Wotruba, 1990). Therefore, more-ethical salespeople are more successful (Román & Munuera, 2005) and prior empirical findings support this notion (Schwepker & Ingram, 1996). Our conceptual model, explained in Chapter 3, addresses these annotations.

#### 1.6. Emotional Intelligence

Emotional intelligence (EI) is a relatively new concept defined at the beginning of the 1990s (Salovey & Mayer, 1990) but interest in the interaction of emotions and intelligence started much earlier (Gardner & Lambert, 1972; Lazarus, 1982; Thorndike, 1920). The underpinning of the EI construct could be found in Gardner's (1983) theory of multiple intelligence. In developing his theory he did not use the term *emotional intelligence*, but rather sought to explain two types of intelligence: intrapersonal and interpersonal intelligence. While intrapersonal intelligence concerns dealing with the self and symbolizing complex and highly differentiated sets of feelings within the self, interpersonal intelligence relates to one's ability to deal with others, to make distinctions among others, among their moods, temperaments, motivations and intentions. The idea of EI combined intrapersonal and interpersonal intelligence.

The EI concept became popular because it brought focus to what individuals could change within themselves (e.g. EI), to be more productive in their everyday lives compared with innate intelligence, which cannot be changed. Salovey and Mayer (1990) explained EI as the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions.

However, a few years later, Mayer and Salovey (1997) agreed that this first definition (from 1990) was unclear and moved their focus to highlight reasoning about, or understanding of, emotional processes in emotional intelligence and, connected this, to emotional effectiveness. They argued that individuals vary in their ability to process information of an emotional nature and in their ability to relate emotional processing to wider cognition. Therefore, they argued that emotional intelligence is made out of two main parts: *experiential* (the ability to perceive, respond, and manipulate emotions without essentially understanding them) and *strategic* (the ability to understand and manage emotions without essentially perceiving feelings well or fully experiencing them).

In addition they divided each part into subparts, which could be hierarchically arranged ranging from basic psychological processes to more complex processes integrating emotion and cognition. The experiential branch is further subdivided into emotional perception and emotional integration, while the strategic branch is claimed to be comprised of emotional understanding and emotional management (please see Figure 4)

Thoughts promote emotional, intellectual and personal growth The implications Management of emotion, from their encourages feeling to their 4. openness to meaning are **Emotional** feelings considered Management Emotional signals about relationship 1. are understood **Emotions are Emotional Emotional** along with their **EMOTIONAL** perceived and interactive and Understanding Perception expressed INTELLIGENCE temporal implications Emotions and motions are emotion-related sensed, and information is begin automatic **Emotional** attended to influnces on cognition integration Emotions enter the cognitive system as noticed signals and as influences on cognition

Figure 4. Mayer and Salovey's (1997) Model of Emotional Intelligence

Source: Mayer, J. D., & Salovey, P., What is emotional intelligence?, 1997, p. 19

The first branch, emotional perception, is the ability to be self-aware of emotions and to express emotions and emotional needs accurately to others. Emotional perception also includes the ability to distinguish between honest and dishonest expressions of emotion. The second branch, emotional integration, is the ability to distinguish among the different emotions that an individual feels and to identify emotions that influence his/her processes of thinking. Emotional understanding is the ability to understand complex emotions (such as feeling two emotions at the same time), acknowledging the transition from one emotion to another. According to some theorists, emotional intelligence refers to a "long list of attributes or abilities that appear drawn from a number of aspects of personality" (Mayer, Caruso, & Salovey, 2000, p. 101). In addition, Bar-On (2002, p. 14) defines EI as an array of "non-cognitive capabilities, competencies, and skills that influence one's ability to succeed in coping with environmental demands and pressures". He argues that EI is comprised of five components: intrapersonal, interpersonal, adaptability, management, and general mood. Maybe the most important contribution of Bar-On (2002) is his argument that EI develops over time and that it can be improved through training, programming, and therapy. Therefore, EI is a trainable skill.

EI experienced global popularization in the mainstream popular literature with the book *Emotional Intelligence* published by Daniel Goleman (2005), which allowed the non-

academic community to understand and use the concept of emotional intelligence. In his books Goleman very often focused on the possibilities that EI improvements have in a business context. Goleman (2005, p. 317) defines EI as the "capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships."

Despite the existence of divergent models of EI (Mayer and Salove, Bar-On, Goleman), there are theoretical and statistical (in terms of high intercorrelation) similarities between them. All models have very similar key components of EI. For example, all three models argue that awareness (or perception) of emotions and the management of emotions is one of the EI dimensions (Stys & Brown, 2004). While there are similarities between Salovey and Mayer's (1990; 1997) earlier research and the work of other authors on emotional intelligence (Bar-On & Parker, 2000; Goleman, 2006), there are some important differences. For example, Goleman's (2000) construct of EI includes motivation and empathy while Mayer, Salovey and Caruso (2000) consider those factors beyond the boundaries of EI. Bar-On et al. (2000) include factors such as assertiveness, self-esteem and independence in the emotional intelligence construct, while the scope of Mayer and Salovey's definition of emotional intelligence is definitely beyond those.

Since its establishment, the concept of emotional intelligence has been very often used in vocational (e.g., Van Rooy & Viswesvaran, 2004), educational (Parker, Saklofske, Wood, & Collin, 2009) management (e.g., Carmeli & Josman, 2006) leadership (e.g., Walter, Cole, & Humphrey, 2011), and psychology (e.g., Petrides, Pita, & Kokkinaki, 2007) studies. Although Belasco (1966) pointed out long ago that sales management needs knowledge about the emotional and interactional<sup>2</sup> demands needed for sales jobs, empirical studies dealing with the role of emotional intelligence in the sales context are very limited.

To the best of our knowledge, there are only ten empirical papers in top academic journals that deal with EI in the sales context (as presented in Table 1). Interestingly, the oldest research on EI in a sales context is only ten years old (Deeter-Schmelz & Sojka, 2003), and it is qualitative in nature. Of the remaining nine studies, research conducted by Kidwell, McFarland and Avila (2007) deals with one particular dimension of EI (perception of emotions), but not with EI as a concept. In addition to EI, the other eight studies use variables such as performance, customer orientation, dispositional affectivity, organizational commitment, leadership and creativity. A positive relationship between EI and sales performance has been confirmed (Kidwell, Hardesty, Murtha, & Sheng, 2011; Lassk & Shepherd, 2013; Prentice & King, 2010; Rozell, Pettijohn, & Parker, 2006). Also, the positive influence of EI on CO has also been established (Kidwell et al., 2011; C. E. Pettijohn, Rozell, & Newman, 2010a, 2010b; Rozell et al., 2004). In addition, Boyatzis, Good, and Massa (2012) found out that EI significantly predicts leader performance, while Lassk and Shepherd (2013) confirmed that EI predicts creativity as well.

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<sup>&</sup>lt;sup>2</sup> This is the closest to the term *emotional intelligence*, because in 1966 this concept did not exist.

Table 1. Overview of Emotional Intelligence Studies in the Sales Context

| Authors                  | Additional variables | Findings   |
|--------------------------|----------------------|--|
|                          | studied              |  |
| Deeter-Schmelz and       | Sales Performance    | Evidence of a possible link between PERF and EI.     |
| Sojka (2003)             |                      |  |
| Rozell, Pettijohn, and   | CO, Organizational   | Salesperson CO level is significantly related to EI. |
| Parker (2004)            | commitment           |  |
| Rozell, Pettijohn, and   | Dispositional        | Sales PERF is significantly related to EI and a      |
| Parker (2006)            | affectivity,         | combination of the measures of dispositional         |
|                          | Sales performance    | affectivity.   |
| Kidwell, McFarland and   | AD, CO, Sales        | Only one dimension of EI used (emotions              |
| Avila (2007)             | Performance          | perception). Ability to accurately appraise the      |
|                          |                      | emotions of others moderated the practice of AD and  |
|                          |                      | CO on PERF.  |
| Prentice and King (2010) | Service performance  | EI is a significant predictor of the service         |
|                          |                      | performance.   |
| Pettijohn, Rozell, and   | CO, Dispositional    | EI is not culturally determined.                     |
| Newman (2010a)           | affect               |  |
| Pettijohn, Rozell, and   | CO                   | EI levels are positively correlated with CO scores.  |
| Newman (2010b)           |                      |  |
| Kidwell et al. (2011)    | Sales Performance,   | Salesperson with higher EI more effectively employs  |
|                          | CO                   | CO; influence customer decisions and better retain   |
|                          |                      | customers. EI interacts with CO and manifest         |
|                          |                      | influence.   |
| Boyatzis, Good, and      | Leadership           | EI significantly predict leader PERF whereas         |
| Massa (2012)             | _                    | measures of generalized intelligence and personality |
|                          |                      | did not.   |
| Lassk and Shepherd       | Creativity,          | Leader's EI positively supports workers' creative    |
| (2013)                   | Performance          | performance.   |

It is argued that the role of EI in job outcome depends on the type of job. EI has a strong influence in the context of jobs in which emotional labour is in high demand (Prentice & King, 2010). We believe that the sales context is one that demands emotional labour. This could be explained through the process in which salespeople primarily deliver emotional services, and customers seek emotional benefits consistent with their motives, needs and wants. Very often customers have a emotional relationship with the results of their buying process, which in the end results in emotional attachment to the salesperson or the company. The importance of this is even greater if we bear in mind that the salesperson is often the first and last point of contact that customers have with the organization. Therefore, a call for research on the role of EI in a sales context was made by Ingram et al. (2005), Deeter-Schmelz and Sojka (2007), Kidwell et al. (2011).

In responding to this call for research, we are going to use the EI construct in our conceptual model (please see Chapter 2). However, due to the large number of mutually exclusive conceptual definitions of EI, followed by different streams of operationalization of the construct, we need to make a difficult decision on which conceptual stream to follow. This decision will influence the choice of measurement selection (please see Chapter 4). In order to make a decision appropriate to the sales context of the research we conducted a co-citation analysis and EI science mapping, which helped us to locate the core conceptualization of the EI construct. The co-citation analysis is presented in the next section.

### 1.7. Co-Citation Analysis for the Emotional Intelligence Construct

Because this study is truly multidisciplinary, and enters into the discipline of psychology (i.e., in terms of exploring emotional intelligence), we take special care in dealing with the psychology literature. Therefore, we triangulated the EI theoretical background presented in Section 1.6 with co-citation analysis and science mapping with the aim of deciding which conceptual stream to follow with regard to the EI construct. Therefore, the research question that we want to answer through co-citation analysis is: what is the scholarly structure of EI knowledge that we should follow in our study? Co-citation analysis offers us a quantitative literature review that helps us in this regard.

It is common that scholars in a particular stream of research very often cite one another and use common sources of knowledge. This results in the fact that some authors are very often co-cited (i.e., cited together) by other authors working on similar themes (Nerur, Rasheed, & Natarajan, 2008). In order to map those authors who are being co-cited, co-citation analysis may be used. Co-citation analysis, the commonly used method of bibliometric analysis, examines the frequency, patterns, and graphs of citations in articles and books (Rubin, 2010) based on input provided by the researcher. Input could be a matrix of co-citation frequencies between authors obtained from academic databases (i.e., Web of Science, Science Direct...).

In this study, the simple approach of finding paths (i.e., Pathfinder) between authors, proposed by White (2003) was followed. The Pathfinder approach seems to be appropriate given the objective of this analysis (i.e. to identify the core of the EI conceptualization and the main network relationships between the authors). Pathfinder allows the scholar to exclude from the drawn network all but the highest counts of author pairs. This significantly reduces the network of authors to the most salient relationships, improving the comprehensiveness of the obtained network. In this type of net, dominant authors are those with relatively many links to other authors (i.e., a high degree of centrality). Furthermore, links between authors and dominant authors define specialties, and links between dominant authors connect specialties into a discipline (White, 2003). These nets can be made with one of several computer programmes, and in this study we used Pajek (Batagelj & Mrvar, 1998) to graphically represent author proximities.

In order to obtain a solid and comprehensive literature background, we conducted a cocitation and Social network Analysis (SNA), using data available at the Web of Science<sup>3</sup> (WoS) for the period from 1970 to 2012. WoS was selected since it is considered a leading citation database not only in Slovenia, Croatia and Bosnia and Herzegovina but also worldwide. WoS, a service provided by Thomson Reuters, was believed to be suitable for this type of analysis because it provides full information about scholarly work (i.e., title,

sciences, arts, and humanities (Thomsonreuters, 2013).

<sup>&</sup>lt;sup>3</sup> Web of Science provides access to the world's leading citation databases. It contains multidisciplinary content that covers over 12,000 of the highest impact journals worldwide, including Open Access journals and over 150,000 conference proceedings. It offers retrospective coverage from 1,900 in the sciences, social

authors, abstract, keywords and publication properties) together with references used in a particular work. Therefore, the first step was to search WoS. We wanted to explore knowledge about emotional intelligence (we used the key word "emotional intelligence") in a sales performance context. Therefore, we refined our results using the key words "sales\* performance". We searched in all three databases offered by WoS: SCI-EXPANDED (Science Citation Index Expanded), SSCI (Social Sciences Citation Index), and A&HCI (Arts & Humanities Citation Index), without time constraints. Unfortunately, our results yield only four papers as given in Table 2.

Table 2. Results of Search of Web of Science <sup>4</sup>

| Title of the Paper   | Authors  | Source  | Year | Total<br>Citations | Average<br>per<br>Year |
|--|--|---|------|--------------------|------------------------|
| EI training and sales performance<br>during a corporate merger   | Gignac, G.E.;<br>Harmer, R.J.;<br>Jennings, S.; et al.     | Cross-cultural<br>management-an<br>international<br>journal | 2012 | 0                  | 0                      |
| Emotional Intelligence in Marketing Exchanges  | Kidwell, B.;<br>Hardesty, D.M.;<br>Murtha, B.R.; et<br>al. | Journal of<br>marketing                                     | 2011 | 3                  | 1.00                   |
| Need for cognition and affective<br>orientation as predictors of sales<br>performance: An investigation of<br>main and interaction effects | Sojka, J.Z.;<br>Deeter-Schmelz,<br>D.R.                    | Journal of business<br>and psychology                       | 2008 | 2                  | 0.33                   |
| Customer-oriented selling: Exploring the roles of emotional intelligence and organizational commitment                                     | Rozell, EJ;<br>Pettijohn, CE;<br>Parker, RS                | Psychology & marketing                                      | 2004 | 19                 | 1.90                   |

In order to be able to run a co-citation analysis we needed a larger sample, so we added an additional (broader) key word "job performance", and ran a new search. Therefore, we searched for the topic of EI ("emotional intelligence"), refined two key words ("job performance" or "sales\* performance"). We did not include time constraints and we performed the search in all three WoS databases (i.e., SCI-EXPANDED, SSCI, A&HCI). In this search we obtained much better results, yielding 101 paper units (documents). In addition, we also manually scanned through titles and abstracts and found no irrelevant articles. Therefore, all 101 articles were introduced as a primary sample that fits the key words relevant for the topics of emotional intelligence and job performance. Our primary sample articles (101) cited 1550 papers (average citations per article: 24.31).

Figure 5 demonstrates the number of primary articles in the field published from 1970-2012. It is interesting that no papers exist in the WoS database that were published before 1998. This is consistent with our knowledge of EI, which argues that EI is a relatively new concept established recently. In addition, the common characteristic for many scientific fields is the fact that a number of new established journals were accepted recently into SCI

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<sup>&</sup>lt;sup>4</sup> The key words that we used in this search were: "emotional intelligence" and "sales\* performance"

or SSCI (Černe, 2013), and we could argue that this is one of the reasons why we couldn't find older articles about EI in the WoS database.

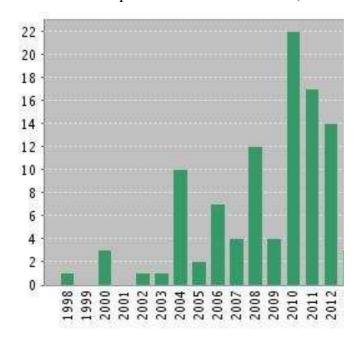


Figure 5. Number of Papers Published in the Field (1970 – 2012)

Figure 6 presents how often articles included in our primary sample (101) were cited and how often the citations occur.

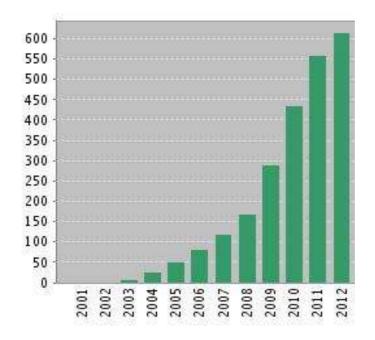


Figure 6. Yearly Number of Citations of our Primary Articles Collection

In addition, the results presented in Table 3 confirm that most of the studies from our primary sample (containing our key words "emotional intelligence" and "job performance") were conducted in the area of psychology.

Table 3. Research Areas in Which Our Primary Articles Occur

| Research Areas                 | Frequencies | % of 101 |
|--------------------------------|-------------|----------|
| Psychology                     | 75          | 74.257   |
| Business economics             | 48          | 47.525   |
| Education educational research | 5           | 4.95     |
| Government law                 | 3           | 2.97     |
| Communication                  | 2           | 1.98     |
| Public administration          | 2           | 1.98     |
| Social sciences other topics   | 2           | 1.98     |

If we go one step further and analyse the outlets in which our primary articles were published, we obtain results consistent with the ones presented in Table 3, meaning that the papers from our primary sample were mostly published in psychological journals as shown in Table 4. Among the most frequently listed publications there is a single marketing journal.

Table 4. Outlets in Which Our Primary Articles are Published

| Journal outlets   | Frequencies | % of 101 |
|---|-------------|----------|
| International journal of selection and assessment                             | 6           | 5.94%    |
| Journal of applied psychology   | 6           | 5.94%    |
| Industrial and organizational psychology perspectives on science and practice | 4           | 3.96%    |
| Leadership quarterly  | 4           | 3.96%    |
| Personality and individual differences  | 4           | 3.96%    |
| African journal of business management  | 3           | 2.97%    |
| International journal of psychology   | 3           | 2.97%    |
| Journal of organizational behaviour   | 3           | 2.97%    |
| Applied psychology an international review psychology                         | 2           | 1.98%    |
| Cross cultural management an international journal                            | 2           | 1.98%    |

The next step was to export primary articles together with their citations (1550 units) into the Bibexcel program as suggested by Persson et al. (2009). Once the data was in Bibexcel, all the bibliographic records were examined to detect and correct typographical errors as well as inconsistencies in authors' names. Before performing the social network analysis, it is important that a unique identifier be assigned to an author. The simplest and the most commonly used identifier is a combination of the surname and initials, and it was applied in this study as well. For presenting the social networks that exist between selected papers we used Pajek (Batagelj & Mrvar, 1998), a network analysis and visualization software specifically designed for large data sets (e.g., Kejžar, Korenjak Černe, & Batagelj, 2010). Because a large number of references were handled, we followed the recommendation given by Fernandez-Alles & Ramos-Rodríguez, (2009) and we decided upon a cut-off point (i.e., 20), meaning that we only used papers that have been cited in at least 20 other papers. Therefore, Bibexcel was used to form frequencies, co-occurrences, and a raw co-citation matrix based on the defined cut-off point.

By using Bibexcel output, we were able to present descriptive statistics of our sample for the whole period 1970-2013. Table 5 reveals that the most frequently cited article is the one by Mayer et al. (1990), cited 42 times in 101 articles that constitute the database of primary articles searched in the ISI database. The top three papers from Table 5 are also

the most important papers used to conceptualize EI in this doctoral dissertation.

Table 5. Publications' Descriptive Statistics

| Citation frequency | First author | Year | Publication                  |
|--------------------|--------------|------|------------------------------|
| 42                 | Mayer J      | 1990 | Imagination Cognition        |
| 42                 | Goleman D    | 1995 | Emotional Intelligence       |
| 41                 | Mayer J      | 1997 | <b>Emotional Dev Emotion</b> |
| 36                 | Goleman D    | 1998 | Working Emotional In         |
| 33                 | Davies M     | 1998 | J Pers Soc Psychol           |
| 33                 | Wong C       | 2002 | Leadership Quart             |
| 32                 | Law K        | 2004 | J Appl Psychol               |
| 29                 | Schmidt F    | 1998 | Psychol Bull                 |
| 29                 | Mayer J      | 1999 | Intelligence                 |
| 29                 | Cote S       | 2006 | Admin Sci Quart              |
| 26                 | Schutte N    | 1998 | Pers Indiv Differ            |
| 26                 | Barrick M    | 1991 | Pers Psychol                 |
| 24                 | Van Rooy D   | 2004 | J Vocat Behav                |
| 24                 | Brackett M   | 2003 | Pers Soc Psychol B           |
| 22                 | Ciarrochi J  | 2000 | Pers Indiv Differ            |
| 21                 | Roberts R    | 2001 | Emotion                      |
| 21                 | Mayer J      | 2003 | Emotion                      |
| 21                 | Caruso D     | 2000 | Hdb Intelligence             |

In addition, Table 6 reveals that the articles most often cited together (co-occurrences) are articles by Mayer et al. (1990) and Mayer et al. (1997). They are cited together in 27 out of the 101 papers in our sample. This means that most of the papers in our primary collection followed Mayer's et al. (1990, 1997) stream in conceptualization of EI. The second most commonly used conceptualization stream of EI is the one proposed by Goleman et al., (1995, 1998).

Table 6. Articles with the Highest Frequency of Co-occurrences

| Co-<br>occurrence<br>frequency | First author<br>(Ref 1) | Year<br>(Ref 1 | Publication<br>) (Ref 1) | First author (Ref 2) | Year<br>(Ref 2) | Publication (Ref 2)         |
|--------------------------------|-------------------------|----------------|--------------------------|----------------------|-----------------|-----------------------------|
| 27                             | Mayer J                 | 1990           | Imagination Cognition    | Mayer J              | 1997            | <b>Emotional Dev Emotio</b> |
| 25                             | Goleman D               | 1995           | Emotional Intelligence   | Mayer J              | 1997            | <b>Emotional Dev Emotio</b> |
| 24                             | Goleman D               | 1995           | Emotional Intelligence   | Mayer J              | 1990            | Imagination Cognitio        |
| 24                             | Goleman D               | 1998           | Working Emotional In     | Goleman D            | 1995            | Emotional Intelligen        |
| 22                             | Goleman D               | 1998           | Working Emotional In     | Mayer J              | 1997            | <b>Emotional Dev Emotio</b> |
| 21                             | Goleman D               | 1998           | Working Emotional In     | Mayer J              | 1990            | Imagination Cognitio        |
| 21                             | Mayer J                 | 1990           | Imagination Cognition    | Wong C               | 2002            | Leadership Quart            |
| 20                             | Law K                   | 2004           | J Appl Psychol           | Wong C               | 2002            | Leadership Quart            |
| 20                             | Law K                   | 2004           | J Appl Psychol           | Mayer J              | 1997            | Emotional Dev Emotio        |

Social Network Analysis (SNA) has emerged as a key technique in the social and behavioural sciences, as well as in other major disciplines (Wasserman & Faust 1994). The main focus of SNA is on the relationships among social entities (e.g., communications among members of a group) that allows the analysis of patterns of relationships and interactions in order to discover underlying structure (Wasserman, 1994).

In our case we wanted to confirm what the central literature nodes in EI theory are, which papers act as hubs, and which groups of scholars are highly connected. Therefore, we

analysed our data using the island algorithm in Pajek (Batagelj & Mrvar, 1998). The results are presented in Figure 7 through the Kamada-Kawai layout. Figure 7 produced different domains of knowledge for various time segments through colours.

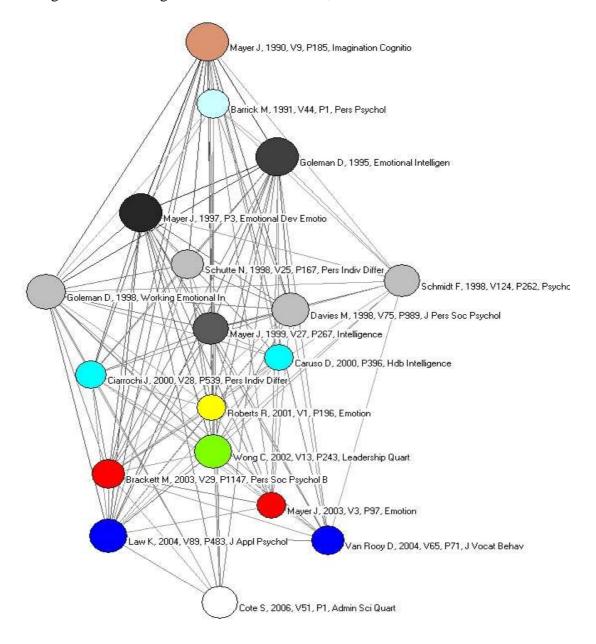


Figure 7. Chronological Co-citation Network, Cut-off = 20 Co-citations<sup>5</sup>

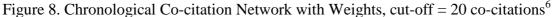
The nodes in a network represent particular papers. Additionally, nodes in the same colours mean that particular papers were published in the same period, while the size of the node provides information about the popularity (in terms of citation) of a particular article. Nodes are arranged chronologically, where the "oldest" paper is at the top of the figure,

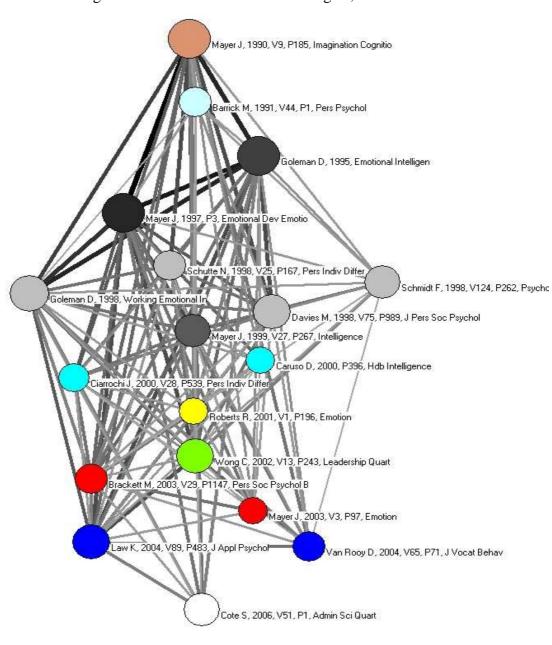
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<sup>&</sup>lt;sup>5</sup> Different colours indicate different time periods when particular papers were published. The size of the node provides information about how frequently the particular paper was cited. The larger the nodes are, the more popular the papers are.

and the most recent paper is at the end of figure. This type of figure allows us to follow how knowledge about EI was developed through time. Figure 7 tells us that the main domain of knowledge in EI is not very dense since in a very short period of time (from 1990 to 2006) various conceptualizations are identified, which are all well inter-connected.

Analysis was run once more, obtaining the results given in Figure 8, but this time we used line weights. The darker and thicker lines present the stronger interrelationship of articles (i.e., they are often co-cited together).





<sup>&</sup>lt;sup>6</sup> Different colours indicate different time periods when particular papers were published. Size of the node provides information about how frequently the particular paper was cited. The larger nodes are, the more popular the papers are.

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By observing Figure 8 we are able to observe more objectively the most important authors and their work. Inspection of Figure 8 reveals that the theoretical foundations for EI are papers by Mayer et al. (1990), Goleman (1995), Mayer et al. (1997) and Goleman (1998). This could also be seen as a chronological reading list for reviewers and students. This is not strange if we know that the paper authored by Mayer et al (1997) presents a further development of EI conceptualization that was published by the same authors in 1990. After qualitative inspection of the papers presented in Figure 8, we noticed that the paper by Schutte et al (1998), which is strongly interconnected with Mayer et al. (1990), and Mayer et al. (1997), is the one which proposes a measure for EI that follows the conceptual definitions of EI proposed by Mayer et al. (1990), and Mayer et al. (1997). On the other hand, our network did not offer papers that follow conceptualization offers by Goleman (1995) and Goleman (1998).

Based on network inspection we have been able to spot the most important contributions and contributors in the field. Therefore, we decided to follow in our study Mayer et al. (1990), and Mayer et al.'s (1997) stream of EI conceptualization.

It should be noted that co-citation analysis and science mapping have been used in many different areas, such as research on collaboration networks (Newman, 2001), corporate elite networks in the U.S. during the 1980s and 1990s, (Davis, Yoo, & Baker, 2003), clustering and classification of published papers (Kejžar et al., 2010), online social networks research (Garton, Haythornthwaite, & Wellman, 1997) and non-technological innovation (Černe, 2013). However, to the best of our knowledge, this is the first work to use co-citation analysis and science mapping in the multidisciplinary context of sales and psychology. We believe that co-citation analysis and science mapping facilitated our achievement of a more complete and objective presentation.

#### 2. CONCEPTUAL MODEL AND HYPOTHESES

The aim of this chapter is to develop a conceptual model and hypotheses through an overview of previous empirical studies. To achieve this objective, the chapter is organized into five parts. The first part introduces the relevant theories (Contingency Theory, Personal Construct Theory and General Theory of Marketing Ethics) that underpin the conceptual model. In the second part, the theoretical connections between relational behaviour (adaptive selling, customer orientation and selling orientation) and salesperson performance (outcome and behavioural performance) are presented as the main effect. In the third part, hypotheses pertaining to the mediating effect, through which emotional intelligence influences salesperson performance, are hypothesized and discussed. The fourth part presents the conceptualization of the moderating influence of moral judgment dimensions on relationships between adaptive selling and performance. In the fifth part we introduce control variables that should be used in the model.

#### 2.1. Theoretical Underpinnings of the Conceptual model

Different perspectives of looking at social and behaviour relations in society influence the choice of the philosophical perspective that is followed in a particular study in carrying out the research. Therefore, the process of conducting research always includes the implementation of a particular paradigm which afterwards determines the approach to the research process and the ways in which the data is collected and analysed (Somekh & Lewin, 2011). The term *paradigm* is defined by Kuhn (1962) as "a set of linked assumptions about the world which is shared by a community of scientists investigating that world". There are two main research paradigms, the positivistic paradigm and the phenomenological paradigm, which are considered to be polar opposites (Frankfort-Nachmias & Nachmias, 2007).

A literature review on personal selling and sales management indicates that the vast majority of studies have been conducted from the positivistic standpoint. Let us take as an example Weitz's (1978) paper entitled "Relationship between salesperson performance and understanding of customer decision making", a milestone paper in this area, which we used as the starting point of our conceptualization. In his paper, Weitz (1978) suggests that salesperson performance is determined by salesperson influence on customer preference. In addition, he argues that salesperson performance depends upon the quality of the relationship with the customer. Therefore in this paper, a model with an emphasis on antecedents and consequences is presented. A quantitative survey was conducted and the collected data were analysed using regression analysis. The main findings and results were then presented. This is an example of the positivistic perspective, which is also used in most of the studies in personal selling and sales management. In our study, we use exploratory qualitative data followed by large-scale quantitative research. Therefore we follow the **positivist tradition**, which leans more towards a deductive and quantitative methodology, aiming to improve objectivity and generalisation.

Before giving a brief explanation of the most important underpinning theories used for conceptual model development, we would like to add that the conceptual model proposed

in this research should be taken into consideration as a behaviour-oriented view of sales performance <sup>7</sup>. In general, Singh and Koshy (2010) suggest that in order to explain antecedents of sales performance, scholars should use predictors that are anchored in the activities of salespeople (e.g., customer orientation, selling orientation, adaptive selling). Therefore, our model (presented in Figure 9) incorporates three classes of salespeople's relational behaviours, namely, customer orientation (CO), selling orientation (SO) and adaptive selling (AD) that influence and predict salesperson behavioural performance (PERFB) and outcome performance (PERFO). In addition adaptive selling is moderated with individual-level salesperson characteristics (Moral Judgment - MJUD), while salespersons relational behaviour is influenced by emotional intelligence - EI. The conceptual model presented is largely supported by the findings obtained in exploratory qualitative study, explained in Chapter 3, and the empirical findings of previously conducted studies that are mentioned later on in this chapter.

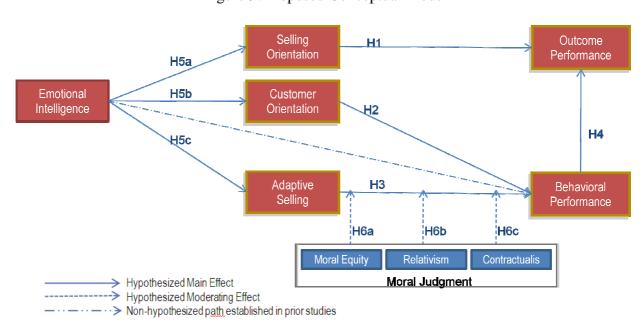


Figure 9. Proposed Conceptual Model

With respect to the nature of our study, we observed different underpinning theories that pervade our research. The most dominant underpinning theory of our model is definitely the Contingency Theory (Fiedler, 1964). However we do not only use knowledge of the Contingency Theory, but also partly use knowledge gained through the Personal Construct Theory (Kelly & Kelly, 1955), and the General Theory of Marketing Ethics (GTME)

<sup>&</sup>lt;sup>7</sup> Walker et. al. (1979) defined behaviour as "what people do (the task they expand effort on) in the course of working (p. 33)". What Walker et al. imply is that sales behaviour (process) involves the execution of all selling oriented activities by salespeople in order to enhance their performance. In our model, adaptive selling and salesperson orientation need to be understood as relational behaviour. If performance is defined as contribution to the goals of the company (Weitz, 1979), this model needs to be identified according to the behaviour oriented view of sales performance.

presented by Hunt and Vitell (1986, 2006). We believe that in our research these theoretical perspectives are complementary and can help to better explain the link between salesperson relational behaviour and performance, moderated with individual contingencies. These underpinning theoretical perspectives largely influence the types of predictor variables and the sort of methodological approaches adopted in the study.

In general, Contingency Theory (CT) belongs to a class of behavioural theories. Over the years, CT has been developed in many different forms (i.e., Contingency Theory of Leadership, Contingency Framework Theory, Contingency Theory of Decision Making, Contingency Rules Theory...) and adapted to usage in different disciplines (Sales, Information Technology, Management, Organizations). In general, all those theories have the same root in the early work of Frank Fiedler (1964) and his Contingency Theory of Leadership (CTL) which was extensively researched. CTL departs from trait and a behavioural model assuming that leadership success depends from various contingencies, while the effectiveness of a given pattern is also contingent upon the situation. Generally speaking, CT argues that the effect of one variable on another depends upon the moderating influence of some third variable. This was also explained by Schoonhoven (1981) who explained that in cases when CT scholars assert a relationship between two variables which predicts a third variable, in reality they are claiming that an interaction exists between the first two variables. Thus, a fundamental assumption underlying CT is that there is no one-way of behaviour, and that any one way of behaviour does not result in equal performance in all situations or contexts. As such, a contingency in our model is defined as the variables Moral Equity (EQUI), Relativism (REL) and Contractualism (CONTR) moderates the effect of salesperson relational behaviour (AD) on salesperson performance (PERFB). Thus, any positive relationship between salesperson relational behaviour (AD) and salesperson performance (PERFB) might change, positively or negatively, depending upon different levels of moral judgment. Accordingly, CT is used to model the moderating effects of moral judgment on relational behaviour-performance linkage.

**Personal Construct Theory** (**PCT**) (Kelly & Kelly, 1955) with origins in cognitive clinical psychology was used to conceptualize the AD construct, which we use in our model. Kelly (1955) described people as dynamic and interactive with their environment. We use this knowledge in our model when we propose that AD is an antecedent of PERFB. Therefore, in accordance with PCT we argue that people constantly revise, update and develop personal attitudes in order to match new information that they experience from elements in the environment. In addition, in the performance model developed by Plank and Reid (1994), the usage of PCT theory was also proposed to explain the behaviour of salespersons.

The General Theory of Marketing Ethics (GTME) was presented by Hunt and Vitell (1986, 2006). After its first presentation in 1986, it went through extensive discussions and empirical testing. As a result, the theory was revised two times, with the last revision published in 2006. The revised model offered a new explanation about the starting point for positing a positive ethical theory, an explanation of why to consider GTME as a process model and not a causal model, and an explanation of measurement issues. GTME

addresses the situation in which an individual confronts a problem perceived as having ethical content. Therefore, our conceptual model builds on GTME, since we believe that the sales profession is full of everyday situations that have ethical content.

### 2.2. Hypotheses Related to the Main Effects

In his review of knowledge on salesperson orientation, Schwepker (2003) directly connected salesperson performance with salesperson orientation. Moreover, through empirical studies scholars have confirmed a relationship between salesperson orientation and job performance in both business-to-consumer (B2C) (Bass, Hebert, & Tomkiewicz, 2003; Boles et al., 2001; Jaramillo & Marshall, 2004) and B2B settings (Keillor et al., 2000; Siguaw, Honeycutt, & others, 1995). However, findings regarding the strength and direction of the relationships (especially the influence of SO on PERF) have often been inconsistent and controversial. Therefore, Singh and Koshy (2011) expressed their concern that much needs to be learned about the relationship between salesperson orientation and salesperson performance. In addition, Jaramillo et al. (2007, p. 307) point out that "an insufficient number of studies are available that utilize SO and CO separately". They explain that if SO and CO are treated separately it is possible that these two aspects have different effects on salesperson performance. Thus, we expect that the two constituent components (i.e., SO and CO) should each impact sales performance in their own way.

Empirical studies on SO are often neglected, which is very strange given that O'Hara, Boles and Johnston (1991) found that with the increase of salespeople's tenure, SO increases, while CO decreases. At the same time, companies are hiring experienced salespersons, meaning salespersons who often use SO. Very often, CO and SO were treated throughout the literature as polar opposites (e.g., Boles et al., 2001; Guenzi et al., 2011; Wachner et al., 2009) which implied the development of opposite hypotheses in terms of the sign of the relationship between the two and selected consequences. Therefore, the abovementioned studies proposed that SO is related negatively to its consequences (i.e., salesperson performance, customer satisfaction).

Boles et al. (2001) confirmed that SO has a negative but insignificant relationship with performance. Similar conclusions were drawn by Goff et al. (1997) who also found that SO had a negative influence on customer satisfaction; however, this impact was not significant and was not supported. Moreover, in research conducted by Singh and Koshy (2011), SO was found to be positively associated with relationship development, although to a lesser extent than CO (the standardized coefficients were 0.535 and 0.707, respectively, for SO and CO). This was very surprising since SO entails a tendency to make quick sales at the expense of customers' long-term needs. Although this association between SO and relationship development is counter-intuitive at face value, a deeper explanation would show that in cross-sectional studies like this one, relationship development as a long-term impact would not be manifest. Therefore, it is plausible that even SO may lead to the development of relationships with customers. Wachner, Grégoire and Plouffe (2009) also empirically showed that SO salespeople with a lower level of skills also increase their salesperson performance. Wachner et al. (2009) demonstrated that CO by itself does not

always lead to desirable consequences, and SO is not always undesirable. In addition Guenzi, De Luca and Troilo (2011) showed that SO is not negatively related to superior customer value creation.

After reviewing studies conducted in the past, it seems that most of those failed to demonstrate that SO has negative effects on selected outcome variables, reporting a non-significant effect or sometimes even a positive and significant influence. This could lead us to the conclusion that the well-known bad reputation of SO has not been justified through empirical research. It seems that in some sales settings SO may not be particularly harmful to a salesperson's performance. It is even possible that customers expect some degree of SO behaviour from a salesperson in order to address customers' true needs. We argue that high SO helps the salesperson to perform better in circumstances when customers expect SO behaviour. On the contrary, the salesperson would achieve better performance without using SO behaviour. Therefore, we argue that salespeople with very low levels of SO behaviour (i.e. in circumstances when customer tend toward CO) and salespeople with very high levels of SO (i.e. in circumstances when customer tend toward SO) outperform salespeople with constant moderate levels of SO behaviour. Thus we propose the hypothesis:

**H1:** The relationship between selling orientation and salesperson outcome performance is quadratic or U-shaped.

As mentioned earlier, Schwepker (2003) in his literature overview suggested treating CO as an antecedent of performance. During the decades of research conducted on the relationship between CO and performance, the results were inconsistent, often depending on what and how performance was conceptualized and measured.

It has been proven that an organization's CO is positively related to salespeople's CO (Cross, Brashear, Rigdon, & Bellenger, 2007). In addition, Guenzi, De Luca and Troilo (2011) empirically demonstrate that salespeople's CO is positively related to organizational performance. On the other hand, several studies have evaluated the correlation between CO and individual salesperson performance (Boles et al., 2001; G. Brown et al., 1991; Keillor et al., 2000; Wachner et al., 2009). Most of the studies in the past, however, merely pointed out that the positive relationship between CO and performance was validated through the literature, without really proving it. Interestingly, Saxe and Weitz (1982) mentioned that the positive relationship between CO and performance has the strongest nomological validity. Their results, however, were not as straightforward as expected.

There are studies that did not find a significant positive relationship between CO and salesperson performance (e.g., Avila, 1999; Franke & Park, 2006; Howe, Hoffman, & Hardigree, 1994). In addition, Kidwell et al. (2007) empirically confirmed that CO selling is not always a good option by default, while Singh and Koshy (2011) found no relationship at all between CO and customer satisfaction (which should be, by definition, a result of CO behaviour).

On the other hand, Jaramillo et al. (2007) confirmed the existence of the relationship between CO and salesperson performance, as well as the fact that it is not significantly moderated by either customer type (B2B / B2C) or the type of performance measurement (subjective or objective measures). Interestingly, O'Hara, Boles, and Johnston (1991) found that CO decreases with the increase of salespeople's tenure. In addition, compared with traditional SO, CO requires greater expenditure of effort by the salesperson in customer interactions (Saxe and Weitz 1982). As a consequence, salespeople have to be motivated to engage in this mode of selling. Homburg, Muller and Klarmann (2011b) analysed the relationship of the salesperson's CO with salesperson performance. They provided strong empirical support for a curvilinear, inverted U-shaped effect of a salesperson's CO on salesperson performance (Homburg et al., 2011b).

Given the findings of the studies conducted in the past, we still expect that the direct influence of CO on PERFB will be positive and significant. However, we believe that salespeople, who are highly CO, adapt to the specific needs of the customer, which goes hand in hand with additional costs (i.e. time). Thus highly CO salespersons focus on fewer customers. Moreover, we argue that too high CO may be too costly in terms of how salespeople allocate their time across their overall behavioural performance; this indicates that the relationship between CO and behavioural salesperson performance is shaped in the form of an inverted U. This implies the existence of an optimum level of CO, which could differ according to different variables. Therefore we offer the following hypothesis:

**H2:** The relationship between customer orientation and behavioural salesperson performance is quadratic, in the shape of an inverted U.

Since we still do not know a lot about the antecedents of salesperson performance, Verbeke et al. (2011) recently reconfirmed the suggestion of Churchill et al. (1985) to focus on influenceable sales performance determinants. One of these determinants is selling-related knowledge expressed through the degree of AD. Accordingly, after more than three decades of testing and researching the sales performance construct, the Contingency Framework Model (Weitz, 1981) has remained the basic groundwork for sales research. This is supported by the large number of studies conducted on AD, the CFM's first component. There is strong empirical evidence supporting the generally positive influence of AD on salesperson performance (Giacobbe, Jackson, Crosby, & Bridges, 2006; McIntyre, Claxton, Anselmi, & Wheatley, 2000; Porter, Wiener, & Frankwick, 2003; Román & Iacobucci, 2010; Sujan, Weitz, & Kumar, 1994). In addition, Park and Holloway (2003) found that AD significantly predicts both objectively and subjectively measured sales performance.

Therefore, salespersons with a strong ability to perceive situational differences and who are capable of adjusting their approach based on the requirements of different selling situations will achieve greater performance (Plouffe et al., 2009). Consequently, AD reflects the variety of sales tactics available to salespersons while interacting with customers (Chakrabarty, Brown, & Widing, 2010b) with the main aim of winning customers' trust. We argue that through AD salespersons will achieve better relations not only with customers but also with managers. Hence, they will achieve better PERFB that would eventually lead to PERFO.

Therefore, with this research we will add additional value to the growing body of knowledge on the direct influence of AD on PERFB by offering the following hypothesis:

**H3:** Adaptive selling is positively related to behavioural performance.

Nothing has changed significantly since Churchill et al. (1985) claimed that none of the predictors themselves account for more than 10% (on average) of the amount of variation in salesperson performance. Similar conclusions were drawn by Holmes and Srivastava (2002) who succeeded in explaining about 4% of variation in salesperson performance, while less than 2% of the variance in performance was explained by Jaramillo et al (2007). There are some suggestions in the literature that this lack of explanation may be due to the inclusion of the wrong constructs as predictors of salesperson performance, inadequate measures, or the fact that it is difficult to generalize antecedents of salesperson performance.

Since our research follows the conceptual distinction between salesperson PERFB (i.e., activities and strategies salespeople carry out in the selling process) and PERFO (i.e., the quantitative results of salespeople's efforts) drawn by Baldauf, Cravens, and Piercy (2005), we argue that failure in previous studies in terms of the amount of variance explained could be the result of not differentiating between salesperson PERFB and PERFO. We argue that salespersons who perform well in carrying out the job tasks allocated by management (even if these are non-selling activities) in order to establish good relations with customers (i.e., to achieve behavioural performance) will achieve greater sales quotas and sales volume (i.e., outcome performance). However, a time gap could exist between the specific activities conducted to achieve PERFB and related salesperson PERFO. Therefore we argue that higher PERFB should lead to higher PERFO. Thus, salespersons' PERFB is a predictor of salespersons' PERFO. By proving this relationship we believe that we could provide improvements regarding the amount of variance explained in salesperson outcome performance.

Indeed, Anderson and Oliver (1987) reported significant positive correlations between PERFB and PERFO. In addition, sales control literature suggests a positive causal relationship between PERFB and PERFO (e.g., Baldauf et al., 2005; Cravens et al., 1993; Jaworski & Kohl, 1991). Very recently Briggs, Jaramillo, and Weeks (2012) used knowledge from sales control literature to establish and prove the relationship between PERFB and PERFO. Thus, we propose the following hypothesis:

**H4:** Behavioural salesperson performance is positively related to outcome salesperson performance.

# 2.3. Hypotheses Related to Mediating Effects

All relationships, both business and personal, contain emotional facets. Therefore it is important to observe the different influences that emotions have during the establishment of relationships, in our case during the relational behaviour of a salesperson during sales encounters. Kidwell, Hardesty, and Sheng (2011) claim that research exploring the role of emotional intelligence in sales encounters could offer new arguments about how

salespeople can more accurately understand the needs of the customer through perceiving, using and managing customers' value-laden emotional information. We argue that salesperson relational behaviour (i.e. selling orientation, customer orientation and adaptive selling) is influenced by the emotional intelligence of the salesperson.

Owing to the literature and theory SO very often has a negative connotation. Therefore, we believe that mainstream opinion about SO salespeople is negative, which could result in the frustration of SO salespeople. However, emotionally intelligent individuals would know not to hold other people responsible for every feeling of frustration as they are adept at placing themselves in positive affective states, and able to experience negative affective states that have insignificant destructive consequences (Mayer, Salovey, & Caruso, 2004; Mayer & Salovey, 1997; Salovey, Brackett, & Mayer, 2007; Salovey & Mayer, 1990). This could also be true for the relationship between SO salespeople and customers. Salespeople have to reconcile the personal feelings of frustration in situations involving the loss of sales, or when they are in the middle of conflicting interest groups (customers and their company). This can be done effectively only when they are able to place themselves in a positive state of mind. In addition, emotionally intelligent individuals would know how to avoid dysfunctional emotions and use them in adaptive ways to alleviate feelings of frustration (Carmeli, 2003).

SO salespeople have to display certain emotions in order to achieve the sales goal and to attract customers. It may happen that they have to suppress their own emotions and act in a different way in order to enhance the salesperson-customer relationship, which would lead to a positive sales outcome. In their interaction with different customers, SO salespeople have to mask their true emotions or engage in passive resistance in order to keep professional SO behaviour. In addition, when salespeople perceive that their emotions may impair sales, they have to decide how to manage these negative emotions. This process requires much of the salesperson's regulatory resources. Moreover, there is a positive influence from emotional intelligence on task performance and work outcomes (Carmeli & Josman, 2006). We argue that if a salesperson perceives SO as a regular job task, EI would be positively related to it. Following the definition of EI (Mayer & Salovey, 1997) from the examples given above, we could argue that SO salespeople perceive, utilize and manage their own and others' emotions. Therefore we argue that:

**H5a**: Emotional intelligence is related to selling orientation.

It is believed that the analysis of potential relationships between a salesperson's EI and the practice of CO is a natural progression of existing research (Lassk, Ingram, Kraus, & Di Mascio, 2012; Lassk & Shepherd, 2013; Rozell et al., 2004). It should be clear so far that competitive sales advantage lies not only in being CO but also in the ability to use CO in a smart way. Therefore CO would result in higher PERFB only when it is aligned with the selling situation, and when CO is accepted and perceived by the customer as appropriate. In order to exercise the appropriate level of CO a salesperson should be able to understand the present and future needs and emotions of the customer and to offer him/her appropriate support. In short, the salesperson should be able to understand the emotions of customers (OTH) in order to be able to exercise CO.

Kidwell et al. (2007) conducted a study on the relationship between CO and the perception of emotions (PERC), which is among the EI dimensions. They argued that a salesperson who perceives customer emotions with regard to their (un)fulfilled needs, may realize when those needs are (not) being met and work toward (better) fulfilling those needs. Kidwell et al. (2007) proved that CO is correlated with PERC. However the limitation of their study, which they acknowledged, is in the fact that they ignored other dimensions of EI. We argue that a CO salesperson is one who would sacrifice short term personal goals for long term benefits, have higher levels of self-control and empathy (an example o managing own emotions - OWN), and an ability to control his/her emotions. Goleman (1995) stated that the higher the level of emotional intelligence, the greater a spirit of altruism by sacrificing one's personal interest for others. EI, by its conceptual definition, requires that the individual postpone current rewards in a quest for increased rewards in the future (an example of emotions utilization - UTI) and that the individual be able to understand their own emotions as well as those of others. Customer orientation, by its definition ("the degree to which salespersons practice the marketing concept at the level of an individual by trying to help their customers make purchase decisions that will satisfy customer needs") (Saxe & Weitz, 1982, p. 343) has the same characteristics as the dimensions of EI explained above. This would imply that that CO and EI are intercorrelated constructs. Pettijohn et al. (2010b) proved that salesperson EI levels are positively correlated with their CO scores. However, as the authors of that paper acknowledge, an important limitation of the abovementioned study was the sample, which comprises 71 UK-based pharmaceutical salespeople. We build up our hypothesis on the Pettihjohn et al. (2010b) study by proposing:

**H5b:** Emotional intelligence is a significant and positive predictor of customer orientation.

Adaptive selling came to the interest of the sales community when Weitz, Sujan and Sujan (1986) offered an additional explanation to the Contingency Framework Model (Weitz, 1981) by further developing the first level of contingencies (i.e., characteristics of the salesperson) by introducing the Adaptive Selling Framework. One of the scholars who brought up the Adaptive Selling Framework to the academic community was Sujan (1999), who gave special attention to the importance of the emotional intelligence for adaptive selling by commenting on the work of Goleman (1995) in the context of AD. He suggested that salespeople, if they want to succeed, should be adaptive with their cognitive side (meaning through the exercise of AD) as well as through their emotional expressions. Accordingly, after more than three decades of testing and researching the sales performance construct, the Contingency Framework has remained the basic groundwork for sales research. However, Evans et al. (2012) state that some components of the contingency framework, such as EI, have seen limited research.

By analysing the core of the EI construct through the offered definitions of emotional intelligence (please see Section 1.6.), it could be argued that salespeople who are able to recognize customers' feelings, who motivate themselves, and in addition manage their emotions and the emotions of their customers while interacting with them (adapted EI definition from Sayer and Salovey, 1997), will be capable of the "altering of sales behaviours during a customer interaction, or across customer interactions, based on

perceived information about the nature of the selling situation" (Weitz, Sujan, & Sujan, 1986, p. 135), meaning they will be able to exercise AD. Given that customers' needs are rapidly changing, it is to be expected that sales approaches to the same customer in different situations will change. Therefore, the salesperson is also required to have the ability to understand, perceive changes in customer behaviour, to adopt a personal approach to new circumstances and use emotions to achieve a goal and maintain good relationships with customers. We also argue that to be successful in AD it is not only important to recognize customers' feelings. Salespersons' openness to the recognition of their own feelings and the effect that their emotions have on their customers is also important.

Rozell, Pettijohn and Parker, (2004) stated that salespersons with greater emotional intelligence are more capable of selecting the optimal course of sales action. We argue that the selection of the optimal course of sales action is consistent and aligned to the definition of adaptive selling. In addition it is argued that salespeople's ability to perceive emotion strengthens the positive influence of AD on sales outcomes (Kidwell et al., 2007). Thus, emotionally intelligent salespeople may execute AD more efficiently and effectively than those who are less emotionally intelligent. Zhou and George, (2003) state that people with higher levels of EI are more likely to be very sociable. We believe that sociable people are more likely to understand customers' emotions accurately and thus to adapt their personal emotions to fit the situation. This led us to the argument that a EI salesperson would easily and flexibly adapt a sales approach to individual customers and particular situations during the process of interaction.

Furthermore, Kidwell et al (2011) mentioned (but did not report directly in their paper) that they found insignificant relationships between EI and adaptive selling. Therefore, they issue a call for research suggesting that other contexts or outcomes may reveal more insights regarding the proposed relationship in the sales context. In order to offer an answer to the abovementioned call for research, but following a conceptual alignment between emotional intelligence and adaptive selling constructs, we propose:

**H5c:** Emotional intelligence is a significant and positive predictor of adaptive selling.

Researchers (i.e. Deeter-Schmelz & Sojka, 2003; Kidwell et al., 2011; Lassk & Shepherd, 2013; Prentice & King, 2010; Rozell et al., 2006) traditionally accept that EI positively affects salesperson performance. In this respect we go one step further, arguing that relational salesperson behaviour serves as a mediator through which we should examine the influence of emotional intelligence on salesperson performance. This view is consistent with the conceptual work done by Plank and Reid (1994) whose basic premise was that sales behaviours mediate the effects of antecedent variables such as motivation, skill, and aptitude (i.e. emotional intelligence) on salesperson performance. This view would suggests that sales professionals' emotional abilities are essential if they are to effectively employ strategies and techniques for interacting with customers, and to achieve performance on a high level.

#### 2.4. Hypotheses Related to Moderating Effects

As salesperson performance becomes more difficult to measure, explicit identification of the characteristics and skills that boost performance is becoming more important. It has been empirically confirmed that salespersons' ethical behaviour is positively associated with customer trust in salespersons, customer satisfaction with their exchanges and satisfaction with salespersons (Cadogan & Lee, 2009), customers' commitment to salespersons, and salesperson job satisfaction (Román & Munuera, 2005). Moreover, through CFM of salesperson performance Weitz (1981) suggested that the relationship between adaptive selling and salesperson performance is contingent upon, or moderated by, the individual characteristics of the salesperson (i.e., moral judgment), the environment, and/or the work situation. Therefore, we adhere to the CFM perspective by examining the influence of moderating contingences on the relationship between adaptive selling and salesperson performance.

We already explained (please see Section 1.5.) that salespeople and buyers have conflicting self-interests (Arnold et al., 2013; Babin et al., 2004). In addition, we also know that ethical concerns typically arise in situations where self-interest conflicts with duty to others (Bowie & Duska, 1990). Therefore we believe that it is worthwhile to explore the role of moral judgment contingencies (i.e., moral equity, relativism and contractualism) in influencing the AD-PERFB relationship. One of the reasons for the examinations of the abovementioned relationship in terms of possible moderators is the fact that in the conceptualization of the AD it is not clear whether it, by default, considers the best interests of the customer or not. The question that arises is whether AD could be possible if the best interests of the customer are not foremost in the mind of the salesperson (i.e. whether it could be unethical). Therefore, by introducing moral contingencies in the relationship between AD-PERFB we add a new perspective on the question we address.

Moral equity is defined as an individual's perception about fairness and justice, and what an individual considers to be right and wrong in a broader context (Reidenbach & Robin, 1990). Equality, fairness, justice and the maintenance of the family's and society's expectations underlie the values of moral equity (Bouguerra et al., 2011). This concept is embedded in the ethical lessons that an individual learns in his/her childhood (Patel, 2006) such as honesty, trustworthiness, respect for others' autonomy and avoidance of unwarranted damage. In general, during childhood, parents teach their children universal differentiations between good and evil (e.g., the Ten Commandments). Those lessons are, in general, universally positive and good, so the salesperson who grades what is good and what is bad based on lessons learned in childhood (moral equity) would be more successful in the transition from adaptive selling to behavioural performance. Thus we propose the hypothesis:

**H6a:** The greater the salesperson's moral equity, the stronger the positive effect of adaptive selling on salesperson behavioural performance

Relativism is defined as the shared perception about what is considered right and wrong, based on the social values and cultural norms of a system (Reidenbach & Robin, 1990). It is an ethical principle that is relative to the individual or culture. Beekun et al. (2005)

found that relativism drives the decision-making process in socialistic cultures, whereas capitalistic cultures rely on moral philosophies of egoism. Given that our research context is still a transitional society (from socialism to capitalism) we share the belief that relativism is also important in Bosnia and Herzegovina and Croatia. A relativistic salesperson is one who respects common practice in the present cultural and sales context but who is able to adjust common practice to a particular situation without going against the rules. Since in sales encounters there are strong emphases on interaction between people, it is obvious that everything is not always as smooth as prescribed in the sales manual. Therefore, we believe that the person who has stronger relativism (who is able to grade different situations and to adopt rules to a particular context) would achieve better transition from AD to PERFB.

However, the discussion from the beginning of this section suggests that adaptive selling has the potential to mislead behaviour performance. For example, if salespersons are changing and adopting their sales approach too often and too obviously, buyers could perceive that as dishonest behaviour. As a result, the buyer could refuse contact with a particular salesperson that would lead to the diminishing of salesperson behaviour performance. In order to avoid this, the salesperson is likely to raise traditional and socio-cultural concerns within the individual. Hence, we expect that the proposed effects of moral judgment based on salesperson' traditional and cultural norms, as measured by relativism, would moderate the impact of adaptive selling on behavioural performance. Thus we propose the hypothesis:

**H6b:** The greater the salesperson's relativism, the stronger the positive effect of adaptive selling on salesperson behavioural performance.

However, one should be careful with cross-cultural examination of the relationships that involve relativism. Ethical principles which are based on relativism depend on culture or traditions and are determined by the most accepted perception of a period (Beekun, Stedham, Yamamura, & Barghouti, 2003). That is why the definition of relativism in itself includes the explanation that the concept of relativism underlines that there are no universal ethical rules and, hence, ethical behaviour can and/or may vary from one culture to another culture. Therefore, an action taken, which is ethical at a given time and in a given place, may not appropriate be in another context (Reidenbach & Robin, 1993). This is an important limitation in researching moral variables in general, and therefore a limitation of our study too, because replication in another cultural context may find a very different moderating influence of relativism in terms of strength and direction.

The concept of contractualism is defined as an individual perception about what is right and wrong, and it is based on the notions of an implied contract that exists between business and society (Reidenbach & Robin, 1990). All relationships that salespeople have with the company in which they are employed may be treated as contractual relationships, because in many cases an unwritten moral contract (which assumes loyalty to the company for example) may be broader than the employer contract that has been written. Therefore, the moral obligations of the partners, in our example the salesperson and the company, spring from this implicit moral contract (Kaptein & Wempe, 1998). This means that normatively salespersons are obligated to promote the company's product/service (Smith,

2002). At the same time the salesperson should be morally prohibited from promoting the product/service to a buyer when the salesperson knows in advance that it would not satisfy their needs. There we have an example of a moral dilemma. Hence, we posit that the salesperson's ethical action, as measured by contractualism, the implicit moral contract, will moderate the relationship between adaptive selling behaviour and behavioural performance. We assume that, in our example, a salesperson with high contractualism would still use adaptive selling to promote the company's product/service to the customer whose needs cannot be met with a particular product/service. In this example, the positive influence of adaptive selling on behavioural performance would be diminished. Similar to our proposition, Maiga and Jacobs (2008) already proved negative moderating influence of contractualism in their research in the area of accounting. Therefore we proposed the hypothesis:

**H6c:** The greater the salesperson's contractualism, the weaker the positive effect of adaptive selling on salesperson behavioural performance.

Again, since cultural and social contexts are different from one to another society, it can be safely assumed that contractualism is also affected by cultural context. This implies that implicit contracts differ from one particular society to another, meaning that the relationship including contractualism could differ from country to country. Therefore, the results of examining relationships and paths that include contractualism could be different from one culture to another and from one country to another. This could also be the case in our study since we are conducting research in Bosnia and Herzegovina, and in Croatia.

# 2.5. Control Relationships

Due to methodological reasons and following practice in contemporary sales research two control variables for sources of variation outside the hypothesized relationships are established. It is important to note that those variables are not part of the research objectives of this study.

An outcome-based control (OBCtrl) system is the first control variable to be introduced in the model. It focuses on results, and uses different incentives (i.e. commissions) to reward salespeople based on their sales outcomes (e.g., sales volume) (Miao & Evans, 2013), regardless of the methods by which they are achieved. In our study, it is measured by the standardised value of the sum of the percentage of monthly income that salespersons earn based on different achievements that could not be classified as fixed salary (i.e., commissions, bonuses). In the literature (e.g. Wachner et al., 2009) it has been argued that salespeople who are SO are oriented towards goal achievement (e.g., sales results). When salespeople are outcome-based compensated, achieving sale quotas becomes the driving force, and an easier way to conduct sales compared with time-consuming CO. Since in our research PERFO is the direct consequence of SO, we believe that OBCtrl will positively influence PERFO. In addition, Widmier (2002) found that the percentage of annual compensation resulting from sales volume incentives, such as commissions, was significantly and negatively related to salespeople's CO. Therefore, since PERFB is the direct consequence of CO in our model, we expect to have a negative relationship between

OBCtrl and PERFB. Finally, the influence of OBCtrl on PERFO should be obtained through decomposition of these effects.

The second control variable introduced in the model is salesperson experience (ExprCtrl), which was measured using the logarithmic transformation of time that the salesperson has spent working in sales. This variable has been used for control purposes in similar studies (e.g. Franke & Park, 2006; Hughes, Bon, & Rapp, 2013) showing a significant relationship between the level of sales experience and sales performance. In addition, sales experience has been studied in relation to a number of important individual variables such as: effectiveness (e.g. Gengler, Howard, & Zolner, 1995), performance (e.g. Frino & Desiderio, 2013), relational behaviour (e.g. O'Hara et al., 1991) motivation towards job (e.g. Miao & Evans, 2007), and perception of ethical behaviour (e.g. C. Pettijohn, Pettijohn, & Taylor, 2008). Because experienced salespeople will behave better, and have a better understanding of their jobs, customers, and company policies, we therefore expect that sales experience increases performance.

#### 3. EXPLORATORY QUALITATIVE RESEARCH

This chapter marks the beginning of the section of the doctoral dissertation that deals with empirical research. This chapter very briefly describes an exploratory qualitative study that was conducted with five key informants. We explore the methods and objectives of the qualitative study, the sample and data collection methods, together with the summary of the main findings, which are elaborated using vignettes.

### 3.1. Method and Objectives

In a recent paper about research methods that are commonly used in the marketing sub discipline of sales, Asare et al. (2012) strongly recommends that sales scholars pay more attention to important and relatively unused methods, such as qualitative research and case studies. They claim that an increase in the usage of qualitative research methods could help sales practitioners and researchers to better understand sales reality. This is especially important if we know that the sales discipline prefers studies with practical significance (Guenzi et al., 2011). Additional arguments that support encouraging the use of qualitative methods claim that qualitative insights could minimize disadvantages associated with a heavy reliance on survey methodology (Asare et al., 2012).

If we analyse sales research, we observe that qualitative methods have been used in sales papers with the aim of accumulating existing sales research and identifying new research directions (e.g., Geiger & Guenzi, 2009; Plouffe et al., 2008). However, to the best of our knowledge, scholars have rarely used qualitative methods to explore a particular construct in the sales context (with the exception of Deeter-Schmelz & Sojka, 2003; Kemp, Borders, & Ricks, 2013).

In general, qualitative research should be used to define a problem or formulate it more precisely, to establish priorities for research, to eliminate impractical ideas, to develop concepts, to generate hypotheses, to identify variables and to clarify concepts (Malhotra, 2010). The review of the literature has already revealed that the topic of the role of salesperson relational behaviour and salesperson performance is largely under-explored in terms of the usage of qualitative methods, while the role of emotional intelligence in the sales context is under-researched in general. Since relatively little is known about the phenomenon to be investigated in this doctoral dissertation, exploratory research is needed (Malhotra, 2011). Hence, our primary research started with an exploratory qualitative study.

The general objective of our exploratory research is to gain insights into the sales context's specific issues, as well as ideas about the role of individual salesperson characteristics (i.e., emotional intelligence and moral judgement) in the relational behaviour and performance of the salespersons. Therefore, we believed that exploratory qualitative research would help us in understanding the research problem. Thus, the other objectives of the exploratory qualitative study were:

- To gather insights into the relationships between salesperson relational behaviour and performance;
- To gather insights into the perception of sales managers regarding the role of emotional intelligence in successful salesperson behaviour;
- To gather insights into the perception of sales managers regarding the role of moral judgment in successful salesperson behaviour.

Further to the objectives of our exploratory qualitative study and the nature of sales tasks, we decided to use in-depth semi-structured personal interviews. Personal interviews were chosen since we wanted to establish settings, which would allow respondents to speak freely about their experiences, feelings and altitudes towards sales activities. In addition, we believed that this type of setting would allow the researcher to probe for additional elaboration from the respondents.

In accordance with the objectives and purpose of the exploratory research, this doctoral dissertation used a circular approach to research (Flick, 2009). The circular approach (presented in Figure 10) is characteristic for qualitative research (Frankfort-Nachmias & Nachmias, 2007) and was applicable for this analysis because the hidden motives and attitudes of respondents were of the utmost importance. This approach forces the researcher to continuously take care of the entire research process as opposed to solely the current stage.

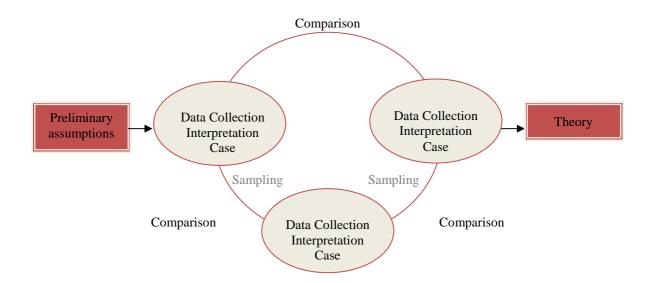


Figure 10. Preview of the Circular Research Approach

Source: Flick, U., An Introduction to Qualitative Research, 2009, p.98

Our interviews were divided into five thematic parts (i.e., participants' company and sales job, individual characteristics of the salespeople, salespeople's relational behaviour, performance, additional topics). Each thematic part included a set of questions pertaining to a specific topic (as given in Appendix A). The purpose was for every single question to be suitable for inspiring a discussion about the different ways of using salesperson

characteristics to obtain specific performance and about the aspects of the sales manager's decision about training and investment needed to improve outcomes. Therefore, our personal interviews were conducted using a laddering technique (Malhotra, 2010) with the aim of probing into the respondents' deep, underlying psychological and emotional reasons affecting them during sales encounters. More specifically, our questions generated open discussions during which the key respondents were encouraged to say anything they wanted pertaining to the topic. When we thought more clarification was needed, additional questions were asked.

Furthermore, in order for the instrument to be adapted to each respondent, there was also some flexibility in terms of the questions' sequence (Flick, 2009). Nonetheless, we also tried to minimize any major changes in order for some degree of consistency to be achieved. This, in turn, would facilitate comparability between and across the cases, as a necessary prerequisite for further analysis (Miles & Huberman, 1994). Bearing in mind the fact that respondents were people involved in sales but holding senior positions and operating under time pressure and other constraints, interviews did not last more than 45 minutes each. In this context, it should be noted that, "There is an unfortunate tendency in the minds of many practitioners and buyers of qualitative research to equate time with quality. In relation to the individual interview, the longer it takes is often assumed to be an indication of maximum depth. We contend that this is misconceived and naive...it is destructive to make the interview last longer than half an hour" (Gordon & Langmaid, 1988, p. 66).

# 3.2. Sample and Data Collection

The population of interest comprised sales managers in Bosnia and Herzegovina. In order to select the appropriate sample, we used the Foreign Trade Chamber of Bosnia and Herzegovina contact database. The first step was to choose an initial list of sales professionals (20 of them) based on their strong sales performance records, as established by researcher knowledge about the market and through personal contacts. Strong performance was defined as performing above expectations for sales revenue and customer satisfaction. In addition, no rigid criteria were predetermined based, for example, on company size, specificity of the sales job, and years of experience in sales, given that there is no need for pure representativeness in a qualitative study (Miles & Huberman, 1994). Due to time and financial resources constraints, priority and preference were given to respondents that had geographical proximity to the capital of Bosnia and Herzegovina, Sarajevo.

A total of 20 potential key informants were contacted by telephone. Through this process we had the opportunity to additionally assess the respondents' suitability, availability and willingness for participation in the study. As a result, the initial sample consisted of five sales professionals, who were both eligible and interested in participating in the study. The specific sample is what Zikmund et al., (2010) describe as a convenient sample. Given the exploratory nature of the qualitative research, this small sample was sufficient – not for generalizability purposes but for gaining preliminary insights (Malhotra, 2011) on the research topic as needed. In addition, it should be noted that the circular approach model

suggests that the sample should be selected based on the relevance of individuals for the matter, and not with the goal of obtaining a statistically representative sample (Flick, 2009). Descriptive information on the respondents is presented in Table 7.

Table 7. Descriptive Information on the Respondents

| Resp.   | <b>Product Sector</b> | Respondent Job Title     | Gender | Sales      | Number of |
|---------|-----------------------|--------------------------|--------|------------|-----------|
| Company |                       |                          |        | Experience | employees |
| 1       | FMCG                  | Sales Manager            | M      | 12         | 11-250    |
| 2       | IT industry           | Sales Manager            | F      | 6          | 11-250    |
| 3       | Financial Services    | Sales Manager            | M      | 2          | 11-250    |
| 4       | Publishing            | Director and Owner       | M      | 7          | <10       |
| 5       | Mass Media            | Sales Executive Director | F      | 4          | 11-250    |

Five interviews with our key informants were conducted (three sales managers, one sales executive director, and one director of a small company, who was himself in charge of sales matters because the company did not have a specific sales department). This slight diversity in the respondents' sales roles was an opportunity to analyse different angles of or perceptions about sales behaviour and performance. The majority of the companies (four out of five) were SMEs with less than 250 employees, with one micro company with less than 10 employees.

## 3.3. Main Findings

The aim of interviews was to help us gain a better understanding of each construct, the relationships between them and practical implications for industrial sales. The qualitative insights gained also helped to better structure the questionnaire. In general, interview responses were consistent enough, reaching theoretical saturation, suggesting that increases in the sample would not yield significantly different responses (Gordon & Langmaid, 1988). Sample size was not pre-determined, but rather, after five interviews conducted, it was felt that we had reached the point of theoretical saturation, meaning that sufficient data were obtained (Strauss & Corbin 1990) and that additional respondents-would not add to the data's richness.

All interviews conducted were audio taped with a short abstract produced immediately after each interview, summarizing all the main points raised. The data collected in this exploratory phase were analysed through the use of within-case and cross-case displays as per Miles and Huberman (1994). The analysis was conducted by the author of this dissertation who was familiar with the theoretical background of the investigated concepts.

Respondents were asked to imagine the perfect salesperson, and explain how he/she looks and behaves with buyers. Typically, respondents described a highly responsive individual, who has all the characteristics of emotional intelligence covered. As several respondents explained:

<sup>&</sup>quot;He/she would never respond rudely to rudeness. He/she is able to "read" customers' feelings, even those not verbally expressed, and

able to make a customer happy even when he/she is sad, who will know the right time to leave the office in order to speak with buyers, and who will always find time to have a cup of coffee with and entertain clients. The sales profession is really a social activity"

(Financial Services, M, 43)

"Salespeople should be able to behave in a way to handle stressful situations with the buyer..."

(FMCG, M, 39)

"I used to say that our job is somewhere between business science and psychology. You have to be knowledgeable in both in order to be successful in sales"

(Mass Media, F, 31)

If we analyse the presented responses above, we could observe that the perception of a perfect salesperson steams from an individual who has a very strong ability to manage his/her emotions (e.g. "would never respond rudely to rudeness"). Moreover, salespersons as described by our respondents should be able perceive others people's feelings (e.g. "read buyers' feelings") meaning that they are being empathic. Very often in theory, empathy is introduced as one of the main characteristics of the salesperson (Rozell, Pettijohn, & Parker, 2006). Moreover, our respondents also described that the perfect salesperson should be able to manage other people's emotions as well (e.g. "handle stressful situations"). Lastly, in the above response we also observe that the salesperson should be able to utilize his/her own emotions in order to produce value for him/herself and others (i.e. "leave the office to have a coffee with a client"). Consequently, in a response obtained from our respondents we were able to track explanations that correspond to dimensions of EI as given by Mayer and Salovey's (1997) who claimed that the EI construct is composed of: Emotional Perception, Emotional Utilization, Managing own Emotions and Managing others Emotions. Bearing in mind that questions regarding the role of emotional intelligence were asked in the context of its influence on salesperson performance (e.g. "How does this affect performance?"), the following arguments raised by our respondents lead us to propose that emotional intelligence is related to salesperson behaviour and performance.

In regard to the role of moral judgment in salesperson behaviour and performance, our respondents have consistent responses that confirmed that morals have an important place in personal selling. This was borne out by our participants, with issues being raised such as:

"I used to say to my salespeople, if you are having a bad day, do not try to cheat your buyers by faking a good mode... they will see that it is not, and you will lose the trust, you will lose the buyer."

(FMCG, M, 39)

"Customers are not stupid; they see when salespeople are faking honesty.

(IT industry, F, 35)

"Many salespeople are not behaving ethically in their contact with buyers. Very often buyers shared with us their previous experience with dishonest salesperson. That is how we get new clients."

(IT industry, F, 35)

"What is morally right for some people does not have to be for me too. Lying becomes the way how business is conducted! I do not want that type of person in my company. Everything starts from home and family"

(Publishing, M, 49).

The last response is consistent with the definition of moral judgment as an individual's decision as to whether something is considered ethical or unethical (Schwepker & Ingram, 1996). It seems that our respondents share the same opinion regarding the importance of moral behaviour in salesperson behaviour and performance. This is consistent with recommendations raised by Cadogan and Lee (2009) that ethical selling activity is desirable. Moreover, one respondent confirmed that very often buyers that quit collaboration with dishonest salespersons, were coming to her. Therefore, we could argue that for this particular salesperson her morality shaped her relations with buyers, which resulted in better performance (Wotruba, 1990). Therefore, we propose the following: moral judgment is related to salesperson behaviour.

All of our respondents share the joint opinion that adaptability is an important skill for a salesperson in a competitive sales environment. Typically, respondents described the need for adaptability in the following ways:

"Customers' wants and needs are fast moving, so you need to be up-dated and adaptive enough in order to "dance" between"

(Financial Services, M, 43)

"Salespersons need to be wise, clever and adaptive... I think we have salespeople that are as described. They are our greatest advantage in comparison with our competitors..."

(Mass Media, F, 31)

"You have to learn how to read a person in order to tailor your attitude toward him/her"

(Publishing, M, 49)

"You may have a really good relationship with the buyer. What's interesting is when something changes in the background (in the

buyer's company, family, life...), the relationship with you could change dramatically. You have to be able to see what is going to happen before it happens, and to adapt to a new approach"

(Financial Services, M, 43)

Therefore it seems that our respondents' perspective correspond to the adaptive selling definition which states that adaptive selling is "altering of sales behaviours during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation" (Weitz, Sujan, & Sujan, 1986, p. 175). Hence, we propose an argument that adaptive selling is related to salesperson performance.

However, we observed that one of the respondents (FMCG, M, 39), when talking about adaptive selling, also mentioned the morality concept as an interrelated construct:

"You have to be yourself, to have your own style, you cannot have a million faces for every single customer... That would be dishonest!

(FMCG, M, 39)

Therefore, while some of the respondents believe that adaptive selling would lead to better performance, others believe that altering of salesperson behaviour is against moral rules, arguing that a salesperson should develop his/her own style of sales presentation. We found this point of view similar to what Weitz, Sujan and Sujan (1986) explained as non-adaptive behaviour (i.e., delivering the same "canned" presentation to all customers). Consequently we argue that the relationship between morality and adaptive selling should be carefully examined in the context of salesperson performance.

Our respondents confirm the importance of customer orientation in regard to performance as follows:

"You should be able to see where your customers are headed. You have to sit back and be there for them in case they need you and when they need you"

(Publishing, M, 49)

"You have to be able to imagine yourself in the shoes of the customer"

(Financial Services, M, 43)

"By putting yourself in the customer's shoes, you should stop thinking as yourself, and start thinking as your customer. That is the only way you can be a successful salesperson."

(Publishing, M, 49)

Following the quotes raised above we observe that the perceptions of our respondents in regard to customer orientation is consistent with the conceptual definition of CO, which

states that CO is "trying to help customers make purchase decisions that will satisfy customer needs" (Saxe & Weitz, 1982, p. 343). In addition, our respondents also confirmed that CO selling is mandatory for the contemporary salesperson (Keillor, Parker, & Pettijohn, 2000). However, they did not prescribe a universal positive influence of customer orientation to performance. Therefore it was raised:

"You have to have limits. You have to find an optimal approach to the buyer."

(Mass Media, F, 31)

"We employ different profiles of salespersons, and that is good for the company. It would not be good for the company to employ only salespersons that are trying to satisfy all the needs of the customer, forgetting about the needs of the company. They are too sensible; spend too much time on small things in regard to contact with a customer. However, they have very few customers, but those customers do not to speak to anybody except that particular salesperson"

(Financial Services, M, 43)

"Sometimes you just do not have enough time to get to know the customer. It is so time consuming, and it not always necessary."

(Mass Media, F, 31)

Our respondents share the belief that CO salespersons focus on fewer customers, and sometimes can be very costly for the company in terms of their overall performance. This creates a situation where it may be in the company's best interest to define an optimum level of CO.

In addition, respondents acknowledged the importance of selling orientation in sales encounters, explaining that sometimes buyers unconsciously consider that the buyer and the seller are on two different sides; they are not enemies but they play on different teams, and if you try to pretend that you are on the buyers' team, they perceive you as dishonest. Therefore, customers expect that the seller should be in some way selling-oriented:

"There is no universal solution for establishing a relationship with a customer. I believe that my customers are used to the fact that salespeople are trying to sell a product on a win-win basis. If they do not see you as a real seller they think that something is wrong in the background..."

(Mass Media, F, 31).

"It is similar to the slogan of a local bear company: Il' si lav ili nisi.<sup>8</sup> You have to decide are you going to be their best friend or salesperson. The worst thing is to be in between."

(Financial Services, M, 43)

It seems that our respondents confirm studies conducted in the past that SO doesn't need to have an a priori negative influence on outcome variables (Guenzi, De Luca, & Troilo, 2011; Singh & Koshy, 2011; Wachner, Plouffe, & Grégoire, 2009). Based on responses raised from our respondents we conclude that SO is not harmful to a salesperson's performance because customers expect some degree of SO behaviour. Therefore we raise the following proposition that extreme levels of SO are positively related to performance.

<sup>&</sup>lt;sup>8</sup> Meaning that you belong to particular group and behave as that or not at all

#### 4. (QUANTITATIVE) RESEARCH METHODOLOGY

In Chapter Four we discuss the objectives of the research and the research design process employed in data collection. We provide justification for the chosen survey administration method. Moreover, all constructs used in the conceptual model are operationalized in this chapter followed by an explanation of the process of the selection of measurement. An independent section of the chapter is devoted to the problem of common method bias. Pretesting, including protocol, debriefings and the pilot study are also an important part of the chapter. The data collection process is also described, followed by information on the sampling process, sample size, and the treatment of missing values and imputation.

# 4.1. Research Objectives

In the previous chapters, certain questions and research gaps have been recognized and labelled. The next step is to conduct research that aims to provide answers to our research questions. However, in order to obtain solutions to the questions raised, the appropriate methodology should be implemented with the suitable style and rigor. The measurement approach and the data collection method should be consistent with the type of research problem and research objectives. The general aim of this research is to examine sales performance, its antecedents and moderators, arguing that sales performance could be seen as behavioural and outcome performance. More specifically, this study has four objectives:

- To examine the association of different types of sales performance as a function of salesperson relational behaviour;
- To offer more insights into the functional form (i.e. linear of curvilinear) of the relationships between sales performance and salesperson relational behaviour;
- To examine the potential moderating effects of moral judgment dimensions on the relationship between adaptive selling and behavioural performance;
- To examine the potential mediating effect of relational selling behaviour on the relationship between emotional intelligence and performance.

# 4.2. Research Design

The research design provides a framework for data collection and analysis. The research design offers a guide to exploring the problem. However, there are different guidelines that could be used in a particular research study. In order to choose the best one, Malhotra et al. (2010) suggest that a researcher should be led by:

- The nature of the research problem or topic;
- The research strategies, methods and data sources traditionally thought to be appropriate to a particular problem;
- The availability and accessibility of topic data;
- The resources at the researcher's disposal (funding, time, equipment and assistance).

Research design determines the method by which data is collected. "There are several possible methods for primary data collection: observation, focus groups, surveys, behavioural data and experiments" (Kotler & Keller, 2011, p. 100). Different primary data collection methods were analysed through an extensive literature review. The method using behavioural data was not considered because those data sets are typical for consumer and customer research, which is not the case in this study. Although experimental research is the most scientifically valid examination, an experiment was also eliminated as a method because of the nature of sales activities. Therefore, we were left with observation, focus group and survey methods. We have summarized the advantages and disadvantages of each of the remaining methods in Table 8.

Table 8. Advantages and Disadvantages of Different Research Methods

| Research           | Method      | Advantages  | Disadvantages  | Decision<br>regarding the<br>usage of the<br>method in this<br>research                              |
|--------------------|-------------|---|--|--|
| Observati          | on          | Accurate data. Independent of the respondent's unwillingness to share information.  | Small sample to generate.<br>Past/future behaviour cannot<br>be observed.  | REJECTED Large sample size needed in order to ensure statistical power.                              |
| Focus Gro          | oups        | Data rich   | High costs. Time needed. Interviewer bias. Respondents' unwillingness to share information on sensitive questions. | REJECTED Sensitive questions, especially those that consider ethics are important part of the model. |
| Self -<br>administ | by<br>mail  | Lack of interviewer bias. Answers to sensitive questions are anonymous. Could be completed at the respondent's convenience. Large sample. | Slow collection method.<br>Low response rates. Non-<br>response bias. Financial<br>resources needed.               | REJECTED Financial resources needed Time   |
| ered<br>survey     | by Internet | Lack of interviewer bias. Answers to sensitive questions are anonymous. Could be completed at the respondent's convenience. Large sample. | Low response rates.<br>Non-response bias.<br>Sample representativeness.  | SELECTED   |

Source: Adapted from Malhotra N.K., Basic Marketing Research, 2011, p.62

Following our findings presented in this table, we made a case for the decision about which method to use in the present research. Therefore, Table 8 contains the column "Decision regarding the usage of the method in this research" in which we offered arguments for the rejection or selection of a particular method. Finally, the method of (Internet-based) self-

administered survey was selected, because it offers the opportunity to obtain answers to sensitive questions, at a time that suits respondents. In addition, since impression management has been widely recognized as a form of response distortion of salespersons (Johnson, Sivadas, & Kashyap, 2009), the respondents received the questionnaire directly from the research authority. Since sales managers gave us qualitative insights, claiming that people in sales business are familiar with and are using the Internet on a daily basis for communication purposes, we believed that it was acceptable to use e-mail as a communication media and to conduct an Internet-based survey for pre-testing and main research purposes. This is also in accordance with the argument raised by Asare, Yang, and Alejandro (2012) who in their highly specific paper (i.e. The State of Research Methods in Personal Selling and Sales Management Literature) argued that using some of the Internet-based tools can help in the creation of a more feasible study which is relatively easier to execute. Therefore, in order to simplify the process, to assure anonymity as well as to cope with financial restrictions, the Internet was used for administrating the survey.

In order to reach the previously mentioned objectives but also to acknowledge propositions raised by Malhotra et al. (2010), the research design of this study was set up as follows. First, the qualitative exploratory phase (presented in Chapter 3) helped to conceptualize the model to be tested. Knowledge gained through the exploratory phase helped in the preparation of the second, quantitative phase. Quantitative research tests hypotheses based on theory and prior empirical evidence. The quantitative phase is divided into two subphases: pre-test research and main research. The next sections discuss the quantitative component in more detail, but before that, the characteristics of Internet-based research will be explored.

## 4.2.1. Internet-based Survey Research, Advantages and Disadvantages

Internet-based surveys can be applied in both B2B and B2C settings (J. R. Evans & Mathur, 2005). There are many similarities between Internet-based and postal surveys, stemming from the common methodology of self-administered questionnaires. Moreover, Deutskens (2006) empirically proved, in the context of a large B2B service quality assessment, that accuracy and completeness of respondents' answers to both open and closed questions suggests that online and postal surveys produce equivalent results. The findings of Peng, He and Wan, (2011) were consistent with the research done by Deutskens (2006). Peng et al. (2011) used a split-sample to compare results obtained in traditional and virtual environments. Their findings indicate that both traditional and virtual respondents yield identical mean scores.

However, some differences between postal and Internet-based survey could also be observed. In Table 9, we provide a comparison between postal and Internet-based surveys, focusing on different characteristics (e.g., coverage, speed, costs, flexibility, response rated). Table 9 demonstrates that Internet-based surveys have many advantages over postal surveys (i.e., speed, flexibility, costs).

Table 9. Comparison between Postal and Internet-Based Survey

| Characteristics              | Postal survey                 | Internet-based Survey       |
|------------------------------|-------------------------------|-----------------------------|
| Coverage                     | High                          | Low                         |
| Speed                        | Low                           | High                        |
| Control of Data Collection   | Low                           | Low                         |
| Response rates               | Low                           | Low                         |
| Flexibility                  | Low                           | Medium to high              |
| Expertise to construct       | Low                           | Medium to high              |
| Costs of labour              | High                          | Low                         |
| Invitation                   | Letters, Envelopes, Post      | Personal to generate e-mail |
| Data Entry and Data Handling | Tabulation and Manual Control | Done by respondents, Server |
| Reminders                    | Letters, Envelopes, Post      | Personal to generate e-mail |

Source: Adapted from Malhotra N.K., Basic Marketing Research, 2011, p. 234

Many studies have been conducted in the past with the aim of evaluating the advantages and disadvantages of different strategies of data collection that include Internet-based and postal methods. Very often, findings were in favour of the Internet-based methods (e.g., Ilieva, Baron, & Healey, 2002). Internet-based research offers different advantages to researchers, such as access to individuals in distant locations, the ability to reach difficult-to-contact participants, and the convenience of having automated data collection, which reduces the researcher's time and effort (Wright, 2005). However, despite a number of advantages, Internet-based surveys also have some disadvantages. Most of the critics of the Internet-based survey have questioned the quality of responses (Iacobucci & Churchill, 2010) and response rate (Dillman, 2007).

Internet-based surveys usually have low response rates (Iacobucci & Churchill, 2010). Manfreda et al. (2008) confirmed that response rates for Internet-based surveys averaged 6-15%, which was 11% lower than those of other methods. A few Internet-based surveys that achieved higher response rates tended to be either done on university populations or small, specialized populations. The difference in response rate in Internet-based surveys compared with other traditional surveys is definitely evident, but the reasons for this difference are not yet clear and require more research (Fricker & Schonlau, 2002). Furthermore, researchers are concerned that Internet samples are still irregular to some extent, due to the differential access to e-mail and the Web (Iacobucci & Churchill, 2010; Manfreda et al., 2008). That is because respondents to web surveys are obviously restricted to Internet users, leading to the absence of non-Internet users' responses, indicating coverage error. Coverage error is the most widely recognized shortcoming of Internetbased surveys. It means that this method does not cover all segments from the relevant population. However, non-response bias may occur if those who did respond are different in some important ways from those who did not respond to the questionnaire (Churchill, 1999). Cooke and Buckley (2008) suggest a transparent approach to this issue: the researcher should be explicit about these limitations but prepared to trade them of for the rich insights that are to be gained. Also, in order to improve coverage, a mixed-mode strategy for contact, using both e-mail and postal mail for pre-notification, could be applied (Dillman, 2007; Fricker & Schonlau, 2002).

However, since it is believed that response representativeness is more important than response rate (Cook, Heath, & Thompson, 2000), we consider the Internet-based survey to be an appropriate research method in this study, while taking into consideration the possible limitations mentioned above. In addition, possible problems, such as multiple email addresses for the same person, multiple responses from participants, and invalid/inactive email (Wright, 2005), are specially taken care of through the selection of the programme for implementing Internet-based research as described below.

## **4.2.2.** Open Source Content Management System: LimeSurvey

Different survey software packages and online survey services make online survey research much easier and faster by providing survey design assistance and generating samples. In this study, we were able to choose among many different online survey providers on the market that are working on Open Source Content Management System. In order to make the most suitable choice, a comparison of different free platforms is provided in Table 10. From all the platforms that have been analysed, LimeSurvey had the best results for this purpose (unlimited number of questions in the surveys, 29 types of questions - including semantic differentiation questions, navigation controls translated into Bosnian/Croatian language, especially valuable multimedia features and the ability to, import the results into SPSS).

Table 10. Comparison of the Free Survey Platforms

| Free Versions               | Survey Monkey   | Lime Survey             | Survey<br>Gizmo        | Google<br>Spreadsheets |
|-----------------------------|-----------------|-------------------------|------------------------|------------------------|
| Type of free version        | Free Basic      | Free and Unlimited      | 14 day Trial           | Free                   |
| <b>Questions per Survey</b> | 10              | Unlimited               | Unlimited              | Unlimited              |
| Question Types              | 15              | 29+self created forms   | 23                     | 7                      |
| Number of responses         | 100 per survey  | Unlimited               | 250 per                | Unlimited              |
| Design                      | 15 Templates    | Unlimited               | survey<br>37 Templates | Unlimited              |
| <b>Survey Duration</b>      | Na              | Unlimited-Self adjusted | Na                     | Unlimited              |
| Navigation language         | No              | YES                     | NO                     | NO                     |
| (Bosnian and Croatian)      |                 |                         |                        |                        |
| Online Technique            | e-mail support, | Live Chat, Forum,       | Forum,                 | Video                  |
| Support                     | 6h response,    | Blog                    | Webinars,              | Tutorials              |
|                             | Tutorial        |                         | Tutorials              |                        |
| Download responses          | pdf             | SCV, pdf, Excel,.sav    | CSV, Excel             | CSV, Excel             |

#### 4.3. Constructs Operationalization

In order to operationalize the constructs used in this research, an extensive literature review was conducted. Items for the selected constructs were drawn from the literature. All preestablished and pre-tested scales used in this study were originally developed in a foreign (English) language. That is why the questionnaire was initially developed in English and afterwards translated into the Bosnian and Croatian language. As suggested by Herche, Swenson and Verbeke (1996), improvement of scales transferability was made through

evaluation beyond standard back-to-back translation. An early version of the questionnaire in the local language underwent extensive pre-testing (i.e. protocols, debriefings, focus groups, and a pilot study that are explained in coming sections) which also additionally included inspection of the instrument by two academics in the fields of marketing and one marketing manager. The language of the research instrument was additionally improved based on their feedback.

In general, four sections are included in the questionnaire, and could be named as follows:

- Section One: Moral judgment;
- Section Two: Emotional intelligence;
- Section Three: Salesperson behaviour and performance;
- Section Four: Socio-demographical and additional questions.

In the chapters that follow, operationalization of each construct used in the research will be explained, and the literature review will be presented through various tables.

## **4.3.1.** Moral Judgment: Multidimensional Ethics Scale (Section One)

The first step toward the operationalization of the moral judgment, an evaluation of whether some action is good or bad, was made by Reidenbach and Robin (1988) who claimed that individuals do not use clearly delineated concepts of ethical philosophy while making ethical evaluations. Initially they set up scales that measured various philosophies of moral judgment in a way that identified concepts associated with philosophies and converted them into items used in a bipolar scale. Their bipolar scale had 30 items and later on it was named MES-30, an acronym for the Multidimensional Ethics Scale with 30 items. MES-30 was first tested on students' judgments of the actions in three different ethical scenarios. However, the results obtained had low convergent validity, suggesting that the grouped items did not measure a common ethical philosophy, as intended (McMahon, 2002; Reidenbach & Robin, 1988).

Reidenbach and Robin (1990) continued their work on MES-30 improvement. Using an iterative psychometric approach they constructed MES-8 (Multidimensional Ethics Scale with eight items). They conducted factor analyses for three scenarios, reducing 30 to 14 items and finally came up with eight items. In their paper, Reidenbach and Robin (1990) reported that MES-8 items consist of three dimensions of ethical judgment: broad-based moral equity, relativism, and contractualism (brief explanation of the dimensions is given in the Table 11). In Table 11, items representing each dimension are listed.

Table 11. Items of the Multi Dimensional Ethics Scale (MES-8)

| Construct      | Brief explanation of the construct           | (Code) Items                       |
|----------------|--|------------------------------------|
| Moral equity   | Individual perception of fairness and        | (S31) Fair/Unfair                  |
|                | justice, as well as what is right and wrong  | (S32) Just/Unjust                  |
|                | in its broadest sense. This factor relies    | (S34) Morally / Not morally right  |
|                | heavily on ethical lessons learned in        | (S36) Acceptable / Unacceptable to |
|                | childhood.                                   | my family                          |
| Relativism     | Perception of what is right and wrong based  | (S33) Traditionally acceptable /   |
|                | on guidelines embedded in the                | Unacceptable                       |
|                | social/cultural system, rather than          | (S35) Culturally acceptable /      |
|                | individual consideration. Tradition and      | Unacceptable                       |
|                | culture shape values, which in turn          |                                    |
|                | influence judgments of what is right and     |                                    |
|                | wrong.                                       |                                    |
| Contractualism | Individual perception of what is right and   | (S37) Violates/ doesn't violate an |
|                | wrong based on notions of an implied         | unwritten contract                 |
|                | contract that exists between business and    | (S38) Violates/doesn't violate an  |
|                | society. Factor reflects the social contract | unspoken promise                   |
|                | that exists between society and business.    |                                    |

Source: Adapted from Reidenbach, R.E., & Robin, D.P., Toward the development of a multidimensional scale for improving evaluations of Business Ethics, 1990, pp. 639–653

MES-8 (Reidenbach & Robin, 1990) consists of eight items that evaluate the actions taken in the scenario. Every item is based on a 7-point scale with one word anchored to represent ethical, and another word anchored to represent unethical behaviour. Reidenbach and Robin (1990) relied upon principal component analysis to identify the factor structure of the MES-8. This is one of the most common objections to their research (McMahon & Harvey, 2007). McMahon and Harvey (2007) reported that the results of confirmatory and exploratory factor analysis failed to support a 3-factor (for MES-8) or 5-factor (for MES-30) structure. Instead, they claimed that both instruments were dominated by one general factor. McMahon and Harvey (2007) proposed a 10-item instrument, called MES-10. They claimed that MES-10 includes more discriminating items than the 8-item version. However, in the literature MES-10 was not applied on a large scale (as can be seen from Table 12). At the same time, a number of studies used MES-8, arguing for its validity over time. Illustrative examples of the previous studies that have used MES-8 and MES-30 are given in Table 12. The table also includes pieces of information on the sample that have been used in every study, together with information on the method of analysis. It can be seen that MES-8 is widely used in sales research, however, mostly in limited geographical areas.

Table 12. Overview of the Studies Using MES Scales

| Reference                               | Research object  | Measure | Respondents           | Area of interest/context | No. of<br>Factors | Method of analysis                 |
|---|------------------|---------|-----------------------|--------------------------|-------------------|------------------------------------|
| Reidenbach and Robin, (1988)            | Moral Judgment   | MES-30  | Students (USA)        | Measurement Development  | 5                 | EFA (Orthogonal Rotation)          |
|   | Moral Judgment   | MES-30, |                       | Measurement Revision +   |                   |                                    |
| Hyman (1996)                            |                  | MES-R1  | Students (USA)        | Development              | 5                 | CFA (Principal Components)         |
|   | Moral Judgment   |         | Salespeople in B2B    |                          |                   |                                    |
| Schwepker and Good (2011)               |                  | MES-8   | (USA)                 | Testing Proposed Model   | 3                 | SEM                                |
| Loo (2004)                              | Moral Judgment   | MES-8   | Students (USA)        | Measurement Testing      | 3                 | EFA (Principal Component)          |
| Nguyen and Biderman, (2008)             | Moral Judgment   | MES-8   | Students (USA)        | Measurement Testing      | 3                 | CFA                                |
| Henthorne, Robin, and Reidenbach,       | Moral Judgment   |         | Salespeople, Sales    |                          |                   |                                    |
| (1992)                                  |                  | MES-8   | managers              | Testing Proposed Model   | 3                 | T-test                             |
|   |                  |         | Salespeople managers  | Measurement Revision -   |                   |                                    |
| Kujala and Pietiläinen, (2007)          | Ethical Judgment | MES-8   | (Female)              | Adding new Scenarios     | 3                 | Qualitative Methods (Interview)    |
|   |                  |         | Salespeople in B2B    |                          |                   | EFA (Principal Components, Oblique |
| Schwepker and Ingram (1996)             | Moral Judgment   | MES-8   | (USA)                 | Testing Proposed Model   | 3                 | Rotation)                          |
|   |                  |         |                       |                          |                   | CFA (Maximum Likelihood Factor     |
| Tansey et al., (1994)                   | Moral Judgments  | MES-8   | Salespeople (USA)     | Testing Proposed Model   | 1                 | Analyses)                          |
| Hansen, (1992)                          | Ethical Judgment | MES-8   | Students (USA)        | Measurement Revision     | 4                 | CFA (Maximum Likelihood Method)    |
|   |                  |         |                       |                          |                   | EFA (Principal Components, Varimax |
| Razzaque and Hwee, (2002)               | Ethical Judgment | MES-8   | Consumers (Singapore) | Testing Proposed Model   | 2                 | Rotation)                          |
| Cruz, Shafer, and Strawser (2000)       | Ethical Judgment | MES-8   | Tax professionals     | Testing Proposed Model   | 3                 | CFA                                |
| Flory, Phillips, Reidenbach, and Robin, |                  |         | Management            |                          |                   |                                    |
| (1993)                                  | Ethical Judgment | MES-8   | accountants           | Testing Proposed Model   | 3                 | CFA                                |
| McMahon (2002)                          | Ethical Judgment | MES-8   |                       | Testing Proposed Model   | 1                 | EFA                                |
|   |                  |         |                       |                          |                   | EFA (Principal Components, Varimax |
| Kujala (2001)                           | Ethical Judgment | MES-8   | Top managers          | Testing Proposed Model   | N/a               | Rotation)                          |
| Tsalikis and Ortiz-Buonafina, (1990)    | Ethical Judgment | MES-8   | Students (USA)        | Testing Proposed Model   | 5                 | EFA (Varimax Rotation)             |
|   |                  |         | Retail managers and   | Measurement Revision +   |                   | EFA (Principal Component, Varimax  |
| Reidenbach and Robin (1990)             | Ethical Judgment | MES-8   | owners (USA)          | Development              | 3                 | Rotation)                          |
|   | Ethical          |         |                       | Measurement Revision     |                   | EFA (Principal Component, Varimax  |
| Reidenbach et al., (1991)               | Behaviour        | MES-8   | Retail managers (USA) | Adding new Scenarios     | 3                 | Rotation)                          |
|   |                  | MES-8,  |                       |                          |                   |                                    |
|   |                  | MES-30  |                       | Measurement Revision +   |                   |                                    |
| McMahon and Harvey, (2007)              | Ethical Judgment | MES10   | Students (USA)        | Development              | 5                 | EFA, CFA                           |

The psychometric properties of the MES-8 scale have been examined and confirmed in recent studies (e.g. Schwepker & Good, 2011). In addition, Loo (2004) confirmed that MES-8 scores were independent of social desirability scores. Furthermore, Chonko et al. (1996) acknowledged scenarios as an acceptable method for conducting ethics research in marketing, while Loo (2004) recommended MES-8 for studies in which administration time is limited. Given the scale's confirmed psychometric properties, as well as the objectives and restrictions of our study (e.g., time limit), the MES-8 scale, together with the accompanying measure of behavioural intention, was applied in this research.

In the literature, moral judgment is operationalized as a reflective 9 multidimensional construct (McMahon & Harvey, 2007; Schwepker & Good, 2011). However, recent literature (e.g., Cadogan & Lee, 2013) is advocating a shift in modeling higher-order reflective constructs in order to achieve consistency with the unidimensional criterion which suggests that measures of a construct should all measure only one and the same entity. Since reflective measures are conceptually interchangeable, removing any of the measures would not alter the meaning of the construct. Therefore, Lee and Cadogan (2013) argue that fulfilling the unidimensional criterion on both levels of a reflective higher-order construct would imply the inexistence of multiple dimensions of a higher order reflective construct (if first order constructs are interchangeable). They suggest two solutions: (1) if dimensions are different constructs independent from each other, one should model those dimensions as factors independent of each other, or (2) if dimensions are the same constructs, one should remove those dimensions and model all items together as first order factors. Since the conceptual definitions of Moral equity, Relativism and Contractualism suggest that the dimensions are not the same construct, the first alternative offered by Lee and Cadogan (2013) is applied in this study.

#### 4.3.2. Emotional Intelligence: Assessing Emotions Scale (Section Two)

The concept of emotional intelligence (EI) is characterized by widely conflicting operational definitions and measurement approaches (Walter et al., 2011), outlined in Table 13. Different streams in operational definitions of EI are based on two different conceptualization streams (mixed model stream proposed by Bar-on (2000) and an ability-based model stream proposed by Mayer and Salovey (1997)). Table 13 provides a summary of the analysis of the advantages and disadvantages of both operationalization streams. From Table 13 it is evident that a number of scholars have attempted to develop measures of EI or EI-related constructs (Bar-On & Parker, 2000; Kidwell et al., 2011; Mayer et al., 2004; Petrides et al., 2007; Wong & Law, 2002) but in general, the various measures cover, to a greater or lesser extent, four distinct areas: emotion perception, regulation, understanding, and utilization. In order to explain the operationalization that has been used in this dissertation, all the scales presented in Table 13 are briefly discussed.

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<sup>&</sup>lt;sup>9</sup> Observed indicators of reflective variable are seen as functions of the latent variable, meaning that the change in the latent variable will reflect (i.e. manifest) changes in the observable indicators (Diamantopoulos & Siguaw, 2006). This is opposite to the case of a formative variable where indicators cause rather than are caused by the latent variable measured (Diamantopoulos, 2011).

Table 13. Streams in Operationalization of Emotional Intelligence

| Autho                    | Definition of EI  | Type of Test  | Operationaliz<br>ation<br>(example)   | Positive Side   | Negative Side   |
|--------------------------|---|---|---|---|---|
| Bar-On (2000)            | EI subsume an array<br>of different<br>dispositions and<br>competencies (e.g.,<br>self-awareness,<br>empathy, teamwork)   | Self-assessments<br>or other-report<br>measures   | ECI <sup>10</sup> (Boyatzis<br>& Goleman,<br>2007).<br>EQ-i <sup>11</sup> : (Bar-On<br>& Parker, 2000)                    | Including almost everything except cognitive ability  | Broadly<br>capturing<br>"emotional and<br>social<br>competencies"                               |
|                          | Set of interrelated<br>emotional abilities<br>for effectively<br>dealing with emotion<br>(i.e., accurately<br>perceiving emotions,<br>using emotions to<br>facilitate thinking, | Ability-based<br>tests that capture<br>individuals'<br>performance in<br>solving<br>emotional<br>problems | MEIS, MSCEIT,<br>MSCEITV.2 <sup>12</sup> :<br>Mayer et al.<br>(2002)<br>EIME <sup>13</sup> :<br>(Kidwell et al.,<br>2011) | Less susceptible socially<br>desirable responding.<br>Come closest to what is<br>implied by the term E.I  | Assess individuals' performance in solving abstract test questions rather than actual behaviour |
| Mayer and Salovey (1997) | understanding<br>emotions, and<br>managing emotions<br>to attain goals).  | Self-assessments<br>or other-reports<br>of emotionally<br>intelligent<br>behaviour                        | WLEIS <sup>14</sup> ; Wong<br>and Law (2002)<br>AES <sup>15</sup> : (Schutte<br>et al., 1998)                             | Individuals rate their own<br>or others' behaviour in<br>complex social situations.<br>Feasible, easily<br>distributed and readily<br>adjustable. | and perceptions   |

Source: Adapted from Walter, F., Cole, M.S., & Humphrey, R.H., Emotional Intelligence, 2011, p. 46

The Emotional Competence Inventory (ECI) was proposed to measure emotional competencies and positive social behaviours (Boyatzis, Goleman, & Rhee, 2000; Goleman, 2000). The ECI has 110 items and measures 20 competencies that are divided into four groups: Self-Awareness, Social Awareness, Self-Management and Social Skills. The ECI includes 360-degree assessment techniques that can include self-ratings, peer ratings and supervisor ratings. As Conte (2005) explained, because of copyrights, the creators of the ECI allowed very few items to be assessed by other academics. Those who have inspected the content of the ECI competencies have confirmed that they overlap with four of the Big Five personality dimensions (Conscientiousness, Emotional Stability, Extraversion, and Openness) and other psychological constructs in the motivation and leadership literature (Van Rooy & Viswesvaran, 2004). Given that the evidence of discriminant and predictive validity for the ECI has not been provided through peer-reviewed empirical studies and taking into consideration the length of the scale (110 items) and resource limitations of the research, this scale has not been applied in the current study.

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<sup>&</sup>lt;sup>10</sup> ECI - Emotional Competence Inventory

<sup>&</sup>lt;sup>11</sup> EQ-I - Emotional Quotient Inventory

<sup>&</sup>lt;sup>12</sup> MEIS - Multifactor Emotional Intelligence Scale

<sup>&</sup>lt;sup>13</sup> EIME - Emotional Intelligence in Marketing Exchange

<sup>&</sup>lt;sup>14</sup> WLEIS - Wong and Low Emotional Intelligence Scale

<sup>&</sup>lt;sup>15</sup> AES - Assessing Emotions Scale

The Bar-On Emotional Quotient Inventory (EQ-i) is a 133-item self-reported measure that takes approximately 30 minutes to complete (Bar-On & Parker, 2000). Bar-On (2000) reported that the internal consistency reliability of the overall EQ-i was 0.76, while test-retest reliability was 0.85 after one month and 0.75 after four months. The correlation between the EQ-i and anxiety scale was 0.77, suggesting that this EQ-i measure overlaps strongly with a well-established measure of trait anxiety (Newsome, Day, & Catano, 2000). The measure yields an overall score as well as scores for five composite scales: Intrapersonal, Interpersonal, Adaptability, General mood, and Stress management. However, it is not clear how each of these composites is related conceptually to EI, and the theory behind this measure is vague (Conte, 2005). Therefore, the EQ-i scale has not been applied in the current study.

The Multifactor Emotional Intelligence Scale (MEIS) was developed by Mayer, Caruso and Salovey (2000). This ability test includes 402 items divided into four subscales. Since those subscales had a low threshold of reliability and various problems with scoring procedures, the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) was later introduced, followed by MSCEIT V.2 (Mayer, Salovey, Caruso, & Sitarenios, 2003). The MSCEIT V.2 has 141 items. Respondents are asked to solve emotional problems (e.g., how to resolve a conflict with a spouse), rather than being asked to self-perceive and rate the extent to which their emotional skills are being used in a particular situation (Karim & Weisz, 2010). Scores are obtained through consensus and expert scoring methods. Consensus scores reflect the proportion of respondents, in a large normative sample, who endorsed each MSCEIT V.2 response. A score for an individual is computed by comparing his or her responses to the normative sample (Karim & Weisz, 2010). Given that consensus scoring uses the most common response in determining correct answers to test items, these ability-based tests may not provide meaningful scores at the high end of the EI continuum when consensus scoring is used (Matthews, Roberts, & Zeidner, 2004). On the other hand, expert scores reflect the proportion of emotion experts who endorsed each response. These scoring methods have been the subject of debate and controversy (Matthews et al., 2004; Zeidner, Matthews, & Roberts, 2004) especially in the terms selection method of 'experts' chosen to determine the correct answers (Matthews et al., 2004). Bearing in mind all of the controversies linked to the MSCEIT V2, it has not been used in this research.

The Emotional intelligence in Marketing Exchange (EIME) scale, built on the same ability-based principle as MEIS, has been introduced recently by Kidwell et al. (2011). Compared to the MSCEIT V2, EIME is an ability-based domain specific assessment of EI (as opposed to a domain-general or self-report assessment). EIME has 15 items, which form four dimensions. However, this scale is relatively new, and has only been tested in a U.S. environment with a specific group of respondents (real estate and insurance agents). Without broader independent studies it is not possible to make a conclusion on the usability of this scale in the specific cultural context of the present study.

Wong and Low Emotional Intelligence Scale (WLEIS) belongs to the group of the self-assessments tests. The scale was proposed by Wong and Low (2002) who were asking respondents to indicate their agreement with 16 items, on a 7-point Likert scale ranging from "strongly disagree" to "strongly agree." However, this scale is not commonly used in

literature, especially not in a sales context (except Kim, 2010). In addition, WLEIS was presented to the respondents of this very research in the pre-testing phase (explained in the section 4.5.), and it received a very negative feedback in terms of double-barrelled questions, leading questions. In addition our respondents in pre-testing claimed that they would grade themselves with the highest grades using this scale, implying lack of variance in responses. Therefore WLEIS was not applied in the main study.

The Assessing Emotions Scale (AES) (Schutte et al., 1998) is the last self-assessment test that will be analysed. It is on the EI conceptual model proposed by Salovey and Mayer (1990) and on the revised process-oriented model of Mayer and Salovey (1997). In some literature, it has been named the Emotional Intelligence Scale, the Self-Report Emotional Intelligence Test, or the Schutte Emotional Intelligence Scale (Schutte et al., 2009). In order to establish and test the scale, Schutte et al. (1998) conducted six studies. The measure proved to be different from a cognitive ability test and also not significantly related to four of the Big Five personality dimensions (Schutte et al., 1998). In all six studies, respondents used the 5-point scale ("strongly disagree", "strongly agree,") to indicate to what extent each of the 33 items describes them. Respondents needed, on average, five minutes to complete the scale. Schutte et al. (1998) claimed that all the items load significantly on a single factor, named Overall EI. Schutte et al. (1998) argued that the 33-item scale is a reliable and valid measure of emotional intelligence as conceptualized by Salovey and Mayer (1990). However, there has been some criticism related to the differing results of its factor structure (Austin, Saklofske, Huang, & McKenney, 2004) and the usage of students as respondents. Karim and Weisz (2010) wrote that, despite the rather extensive literature concerning emotional intelligence, the vast majority of studies concerning the development and validation of emotional intelligence scales have been done in Western countries, as presented in Table 14. This also was true for AES, but lately some studies have been done in non-Western countries as well. Consequently it seems that AES is the most "international" of all of the EI scales that were mentioned before.

Table 14. Usage of Assessing Emotions Scale Worldwide

| Authors   | Country       |
|---|---------------|
| Bastian et al. (2005); Brown and Schutte (2006); Ciarrochi et al. (2001); Newcombe and              | Australia     |
| Ashkanasy (2002); Riley and Schutte (2003); Scott et al. (2004); Wing et al. (2006); Prentice       |               |
| and King (2010);  |               |
| Austin et al. (2004); Charbonneau and Nicol (2002); Depape, et al. (2006); Saklofske et al.,        | Canada        |
| (2007)  |               |
| Brackett and Mayer (2003); Guastello and Guastello (2003); Schutte and Malouff (2002);              | United States |
| Schutte et al. (2002); Schutte et al. (1998); Schutte et al. (2001); Zizzi, et al., (2003); Rozell, |               |
| Pettijohn, and Parker (2004); Rozell, Pettijohn, and Parker (2006); Pettijohn, et al. (2010a)       |               |
| Totterdell and Holman (2003); Pettijohn et al., (2010a); Pettijohn, Rozell, and Newman              | United        |
| (2010b)   | Kingdom       |
| Clyne and Blampied (2004)   | New Zealand   |
| Thingujam and Ram (2000)  | India         |
| Carmeli (2003); Carmeli and Josman (2006)   | Israel        |
| Liau, Liau, Teoh, and Liau (2003)   | Malaysia      |
| Oginska-Bulik (2005)  | Poland        |
| Yurtsever (2003)  | Turkey        |

Source: Schutte, N.S., Malouff, J.M., & Bhullar, N., The Assessing Emotions Scale, 2009, p.123

Recent research (Ciarrochi et al., 2001; Petrides & Furnham, 2000; Saklofske, Austin, & Minski, 2003) has recognized that Overall EI proposed by Schutte et al. (1998) can be further broken down into four factors. The four factors were described as follows: Perception of Emotions, Managing Emotions in the Self, Social Skills or Managing Others' Emotions, and Utilizing Emotions, where all 33 items are included in one of these four subscales, as presented in the Table 15. However, there are some studies (Saklofske et al., 2003), which suggested breaking Overall EI into three factors.

Table 15. Assessing Emotions Scale's Items

|                        |          | Table 15. Assessing Emotions Scale's Items   |
|------------------------|----------|--|
| Constructs             | Code     | Items  |
|                        | EI 11    | I like to share my emotions with others.   |
|                        | EI 13    | I arrange events others enjoy.   |
|                        | EI 24    | I compliment others when they have done something well.                            |
| Managing               | EI 26    | When another person tells me about an important event in his or her life, I almost |
| Others'                |          | feel as though I have experienced this even myself.                                |
| <b>Emotions</b>        | EI 30    | I help other people feel better when they are down.                                |
|                        | EI 1     | I know when to speak about my personal problems with others.                       |
|                        | EI 4     | Other people find it easy to confide in me.  |
|                        | EI 16    | I present myself in a way that makes a good impression on others.                  |
|                        | EI 2     | When I am faced with obstacles, I remember times I faced similar obstacles and     |
|                        |          | overcame them.   |
|                        | EI 3     | I expect that I will do well on most things I try.                                 |
| Managina               | EI 10    | I expect good things to happen.  |
| Managing<br>Own        | EI 12    | When I experience a positive emotion, I know how to make it last.                  |
| Emotions               | EI 14    | I seek out activities that make me happy.  |
| Emotions               | EI 21    | I have control over my emotions.   |
|                        | EI 23    | I motivate myself by imagining a good outcome to tasks I take on.                  |
|                        | EI 28    | When I am faced with a challenge, I give up because I believe I will fail. (-)     |
|                        | EI 31    | I use good moods to help myself keep trying in the face of obstacles.              |
|                        | EI 5(-)  | I find it hard to understand the non-verbal messages of other people. (-)          |
|                        | EI 9     | I am aware of my emotions as I experience them.                                    |
|                        | EI 15    | I am aware of the non-verbal messages I send to others.                            |
|                        | EI 18    | By looking at their facial expressions, I recognize the emotions people are        |
| Perception             |          | experiencing.  |
| of Emotion             | EI 19    | I know why my emotions change.   |
|                        | EI 22    | I easily recognize my emotions as I experience them.                               |
|                        | EI 25    | I am aware of the non-verbal messages other people send.                           |
|                        | EI 29    | I know what other people are feeling just by looking at them.                      |
|                        | EI 32    | I can tell how people are feeling by listening to the tone of their voice.         |
|                        | EI 33(-) | It is difficult for me to understand why people feel the way they do. (-)          |
|                        | EI 6     | Some of the major events of my life have led me to re-evaluate what is important   |
|                        |          | and not important.   |
| Iltilization           | EI 7     | When my mood changes, I see new possibilities.                                     |
| Utilization of Emotion | EI 8     | Emotions are one of the things that make my life worth living.                     |
| of Emotion             | EI 17    | When I am in a positive mood, solving problems is easy for me.                     |
|                        | EI 20    | When I am in a positive mood, I am able to come up with new ideas.                 |
|                        | EI 27    | When I feel a change in emotions, I tend to come up with new ideas.                |

Source: Adapted from Schutte, N.S., Malouff, J.M., Hall, L.E., Haggerty, D.J., Cooper, J.T., Golden, C.J., & Dornheim, L., *Development and validation of a measure of emotional intelligence*, 1998, pp.167–177; Ciarrochi, J., Chan, A. Y. C., & Bajger, J. *Measuring Emotional Intelligence in Adolescents*, 2001, pp. 1105–1119.

Since AES's validity appears to be robust in most of the studies (Pettijohn et al., 2010a) it is used in this study as well. Having in mind that its components first-order factors

(Managing Others' Emotions, Managing Own Emotions, Perception of Emotion and Utilization of Emotion) are conceptualized as distinct but correlated constructs that define the focal construct of EI we follow a similar procedure to that used by Diamantopoulos et al. (2008), arguing that EI should be specified as a formative index.

#### **4.3.3.** Salesperson Orientation: SOCO scale (Section Three)

The Selling Orientation Customer Orientation (SOCO) scale was developed to measure the degree to which salespeople engage in customer or selling oriented sales behaviour (Saxe & Weitz, 1982). Originally, the scale consisted of 24 statements that described ways in which a salesperson might act with a customer. Saxe and Weitz (1982) asked their respondents to indicate the proportion of customers with whom they act in a manner described by the items offered on a 9-point scale (ranging from 1 – "True for NONE of your customers-NEVER" to 9- "True for ALL of your customers-ALWAYS"). Twelve of those items assessed salespeople's degree of selling orientation and the other twelve items assessed salespeople's degree of customer orientation. The measure was originally administered to two samples of salespeople that included both industrial and consumer salespeople. Initially Saxe and Weitz (1982) reported an alpha of 0.83. Later, extensive testing showed the measure to be a reliable and valid instrument (Schwepker, 2003).

The SOCO scale (Saxe & Weitz, 1982) was developed and validated in the U.S.A., and mostly used in the U.S.A. and in other English speaking countries. In order to evaluate the transportability of personal selling measures across cultural boundaries, Herche, Swenson and Verbeke (1996) applied cross-cultural measurement validation techniques using surveys of U.S. and Dutch salespeople. Herche et al. (1996) reported that sales managers delivered the questionnaires to their salespeople without including this fact as a limitation of the study. Their results obtained for SOCO (Saxe & Weitz, 1982) showed a dimensional fragmentation in both samples, and degradation of internal consistency of the two subscales in The Netherlands. The results of the abovementioned study are interesting in the context of our research because we will add to the body of knowledge regarding the transferability of the SOCO scale to other cultures. However, we will try to improve upon the limitations that Herche et al. (1996) had in their research (i.e., salespeople receive the survey directly from the research authority in order to minimize impression bias).

Since 1982, when the initial SOCO scale was established, studies dealing with customer and/or selling orientation mostly used this scale. However, during that time, some revisions and improvements have been made. Based on an extensive literature review, the most important revisions are presented in Table 16. Our synthesis, offered through Table 16, shows that most modifications were minor in terms of wording (G. Brown et al., 1991), and in the reduction of items (Joshi & Randall, 2001; Thomas, Soutar, & Ryan, 2001) or reduction in the number of scale response categories (e.g., reducing from nine to seven points). Some studies (Brown et al. 2002; Joshi & Randall, 2001; Williams & Attaway, 1996) reduced the number of scale items.

However, there is a general agreement supporting the dimensionality and reliability (all but one reported Alphas above 0.80) of the SOCO scale as a way of measuring salesperson orientation, from either a salesperson or customer perspective.

Table 16. SOCO Revisions and Readjustments

| Author  | Respondents<br>Country  | Scale       | Readjustments  | Findings  |
|---|---|-------------|--|---|
| Saxe and Weitz (1982)   | Industrial and consumer salespeople The USA                     | 9-<br>point | N/a  | Original SOCO scale brought to public. It is reliable and valid instrument.   |
| Michaels and Day,<br>(1985) based on<br>Saxe and Weitz<br>(1982)          | Industrial buyers The USA                                       |             | ?  | Scale reliability slightly higher. Customer orientation significantly lower. Salespeople may be upwardly biased in their evaluation of themselves.  |
| Brown, Widing,<br>and Coulter (1991)<br>based on Saxe and<br>Weitz (1982) | Retail<br>salespeople<br>The USA                                | 6-<br>point | Wording; Reduced its scale points to six.  | No effect on the reliability, factor structure, factor loadings, and total variance explained by the scale.   |
| Pilling, Eroglu,<br>and Boles (1994)<br>based on Saxe and<br>Weitz (1982) | Sales people<br>and their<br>matching retail<br>buyers          |             | Included projective technique into the scale   | Larger variance and lower mean score Attracted little attention as evidenced by their lack of reported use in the literature (Cited by 13 articles in Google Scholar)   |
| Tadepalli (1995)<br>based on Michaels<br>and Day,<br>(1985)               | Industrial<br>buyers  | 7-<br>point | Scale items changed to refer to a particular salesperson. The 9-point scale was changed to 7-point scale. Scale instructions modified to refer to the respondent's most recent buying situation. | Scale is labelled as COVS<br>Aim was to modify the SOCO<br>scale only to the extent necessary.<br>The reliability of the COVS scale<br>was 0.94, that is higher than that<br>reported by Saxe and Weitz<br>(1982) and Michaels and Day<br>(1985).           |
| Thomas, Soutar,<br>and Ryan (2001)<br>based on Saxe and<br>Weitz (1982)   | Salespeople,<br>sales managers,<br>customers in<br>B2B setting. | 9-<br>point | 24 items were shorter to<br>10 items (where 5<br>represent CO and 5 SO<br>behaviour)   | Named as TSR SOCO. It shows sufficient reliability and validity to replace the 24-item version with little information loss. Reduced scale may reduce response fatigue and acquiescence bias, leading to more accurate measurement of customer orientation. |

From Table 16 it is evident that the biggest step towards SOCO improvement (especially in terms of length) has been made by Thomas Soutar and Ryan (2001). They reported that their scale, named the TSR SOCO scale (consisting of 10 items, as presented in the Table 17), for various groups that they surveyed, had a correlation above 0.80 for factors one and two, with the lowest being 0.84, but fell sharply when more factors were added (Thomas et al., 2001). They came up with a two-factor result, which was stable across all of the groups. Three data sets were re-analysed, restricting the principal component analysis to two factors. Together, these two factors explained at least 40% of the variance in each data

set (Thomas et al., 2001). Up until now, this scale has been used in many studies dealing with the topic of salesperson orientation (Guenzi, 2003; Homburg, Wieseke, Lukas, & Mikolon, 2010; Periatt, Chakrabarty, & Lemay, 2007; Periatt et al., 2004; Singh & Koshy, 2011).

Table 17. Thomas, Soutar, and Ryan's (2001) SOCO Scale Items

| Constructs  | (Code) Items  |
|-------------|---|
| Customer    | (CO1) I try to figure out what a customer's needs are.  |
| Orientation | (CO2) I always have the customer's best interest in mind.   |
|             | (CO3) I try to bring a customer with a problem together with a product/service that helps solve that problem.   |
|             | (CO4) I offer the product/service that is best suited to the customer's problem.  |
|             | (CO5) I try to find out what kind of products/services will be most helpful to a customer.  |
| Selling     | (SO1) I try to sell as much as I can rather than to satisfy a customer.   |
| Orientation | (SO2) It is necessary to stretch the truth in describing a product to a customer.   |
|             | (SO3) I try to sell a customer all I can convince them to buy, even if I think it is more than a wise customer would buy.   |
|             | (SO4) I paint too rosy a picture of my product/service to make them sound as good as possible.  |
|             | (SO5) I decide what product/service to offer on the basis of what I can convince customers to accept, not on the basis of what will satisfy them in the long run. |

Source: Adapted from Thomas, R.W., Soutar, G.N., & Ryan, M.M., *The Selling Orientation-Customer Orientation (S.O.C.O.) Scale: A Proposed Short Form*, 2001, pp. 63–69.

In their paper, Thomas et al. (2001, p. 68) made a call for additional research on TSR SOCO measurement: "cross-validate the revised scale in different industries and customer groups to verify its generalizability". Shortly after, the TSR SOCO scale was cross-validated, and the generalizability in a B2B setting of the U.S.A. was established (Periatt et al., 2004). Afterwards, Guenzi et al. (2011) and Singh and Koshy, (2011) provided further validation of the TSR SOCO scale outside the United States (Italy and India), confirming the parsimony of the scale. On the other hand, the literature review revealed a lack of research on selling orientation, whether using portions of the SOCO scale or other scales (Periatt et al., 2004). Since many organizations reportedly operate in a selling-oriented environment (Sumrall & Sebastianelli, 1999), this also calls for more research.

This study will try to respond to the calls of Thomas et al. (2001) and Periatt et al. (2004) for additional research by testing the scale in a new sales cultural context. Another reason for the selection of the TSR SOCO measurement is that the usage of this scale may reduce response fatigue and acquiescence bias. This characteristic is very important if we bear in mind the special emphasis that will be put to SO that could be subject to fatigue and acquiescence bias. Nevertheless, it is important to note that SO and CO in this study are treated as reflective first-order factors.

#### 4.3.4. Adaptive Selling: ADAPTS-SV scale (Section Three)

Spiro and Weitz (1990) operationalized adaptive selling through the ADAPTS scale. A procedure for proposing this scale included two phases. In the first phase, the 42 items

were subjected to a principal component analysis and a factor analysis for which the communalities were estimated. In the second study, the final scale consisting of 16 items was tested. The average response for the scale (sum divided by number of items) was very high - 5.51 (the range of possible answers was from 1 to 7), the standard deviation was 0.66, and the Cronbach alpha was 0.85. The high average rating for the sample of salespeople tested by Spiro and Weitz (1990) was explained by the fact that there was sufficient variability to uncover significant relationships. This measure was based on the adaptive selling definition offered by Weitz, Sujan, and Sujan (1986) in which, "working smarter" was operationalized as the practice of adaptive selling. ADAPTS is a scale that assesses self-reports of five facets of adaptive selling: (1) recognition that different sales approaches are needed for different customers, (2) confidence in the ability to use a variety of approaches, (3) confidence in the ability to alter approach during an interaction, (4) collection of information to facilitate adaptation, and (5) actual use of different approaches. The 16-item scale was not reported as unidimensional on the basis of statistical tests using confirmatory factor analysis (Spiro & Weitz, 1990).

After the initial establishment, the ADAPTS scale was tested in different contexts for unidimensionality. However, the results have often been contradictory. Herche et al. (1996) claimed that the ADAPTS measure possesses strong evidence of comparability of dimensionality in both cultures where they have tested it (The Netherlands and the U.S.A.). However, they deleted item no. 16 due to the lack of convergence. Some other studies (e.g., Marks, Vorhies, & Badovick, 1996) argued that there is a need for improvement of the ADAPTS. Over time some improvements were made, and a summary of those is provided in Table 18.

Table 18. Improvements Made on ADAPTS Scale

| Author       | Respondents<br>Country                              | Number of Items<br>/ Scale Name | Number of Factors /<br>Cronbach's alpha | Findings   |
|--------------|---|---------------------------------|---|--|
| Spiro and    | 268 salespeople                                     | 16 items /                      | 5 factors                               |  |
| Weitz        | (manufacturer of                                    | ADAPTS                          | /                                       |  |
| (1990)       | diagnostic<br>equipment and<br>supplies)<br>The USA |                                 | .85                                     |  |
| Marks,       | 179 salespeople                                     | 11 items/ MVB 4                 | 2-factor model,                         | Dimensions taken from the                              |
| Vorhies, and | (telecommunicatio                                   | items (Adaptive                 | composed of                             | ADAPTS scale. Adaptive                                 |
| Badovick     | ns equipment)                                       | Selling Beliefs)                | beliefs (.63)                           | selling beliefs do not influence                       |
| (1996)       | The USA   | +7 items                        | behaviours (.75)                        | sales performance, but                                 |
|              |   | (Adaptive Selling               |   | behaviour does. ADAPTS can                             |
|              |   | Behaviour)                      |   | be improved by addressing the unidimensionality issue. |
| Robinson,    | 1042 salespeople,                                   | 5 items ADAPTS-                 | 1 factor                                | Contains items that represent                          |
| Marshall,    | the USA   | SV: (2                          | /                                       | four of the five original facets                       |
| Moncrief,    |   | motivational, 1                 | .84,                                    | proposed by Spiro and Weitz                            |
| and Lassk    |   | capability and 2                |   | (1990). Compact and usable                             |
| (2002)       |   | behavioural items               |   | five items scale, with                                 |
|              |   | from the                        |   | improved psychometric                                  |
|              |   | ADAPTS)                         |   | properties.  |

As can be seen from Table 18, Spiro and Weitz (1990) reported a Cronbach's alpha of 0.85 for their full 16-item scale, while Marks et al. (1996) reported Cronbach's alphas of 0.63 for their four-item "Adaptive Selling Beliefs" scale and 0.75 for their seven-item "Adaptive Selling Behaviours" scale. Robinson et al. (2002) investigated the psychometric properties of ADAPTS. In their research, they redefined the scale, and shortened it to five items (presented in Table 19), and labelled this new scale as ADAPTS-SV. They used a sample of 1,042 salespeople from multiple industries, which ensured the ability to fully explore the dimensions of adaptive selling within a diverse cross-section of sales situations. An assessment, utilizing confirmatory factor analysis, suggests a shortened version of the scale. It consists of five items that represent four of the facets originally proposed by Spiro and Weitz (1990). The alpha measure for ADAPTS-SV was 0.84. Robinson et al. (2001) claimed that the psychometric properties of ADAPTS-SV appear to be sufficiently sound to justify its use in future research endeavours in order to understand and empirically test theories relating adaptive selling to other relevant selling constructs.

Table 19. ADAPTS-SV Scale Items

| Construct | Items   |
|-----------|---|
| Adaptive  | (AD1) When I feel that my sales approach is not working, I can easily change to another |
| Selling   | approach.   |
|           | (AD2) I like to experiment with different sales approaches.                             |
|           | (AD3) I am very flexible in the selling approach I use.                                 |
|           | (AD4) I can easily use a wide variety of selling approaches.                            |
|           | (AD5) I try to understand how one customer differs from another.                        |

Source: Adapted from Robinson, L., Marshall, G.W., Moncrief, W.C., & Lassk, F.G., *Toward a Shortened Measure of Adaptive Selling*, 2002, pp. 111–118.

In their research, Chakrabarty, Brown, Widing II and Taylor (2004) compared the MVB scale proposed by Marks, Vorhies, and Badovick (1996) with ADAPTS-SV (Robinson et al., 2002) and, based on an item-sort by an expert judging panel and data from a random sample of salespeople, they concluded that "if a behavioural scale is desired, we recommend a scale drawn from the original Spiro and Weitz behavioural facet" (p. 125). Given the wide usability of the ADAPTS-SV scale (Chakrabarty et al., 2010b; Franke & Park, 2006; Homburg et al., 2010; Jaramillo, Ladik, et al., 2007; Rapp, Agnihotri, & Forbes, 2008) and the fact that ADAPTS-SV exhibits equal or better reliability than previously reported scales for either the full ADAPTS scale or the two-dimensional beliefs/behaviours version, this shortened scale is used in our research. Through usage of ADAPTS-SV, in this study, adaptive selling is observed as a reflective first order factor.

#### **4.3.5.** Salesperson Performance (Section Three)

More than 30 years ago, Behrman and Perreault (1982) tried to explore various possibilities for salesperson performance measurement. They began with the explanation of the quantitative data (such as dollar or unit of sales, or contribution to profit over a time period) as a logical consequence of salesperson performance measurement that have been widely used in previous years. They identified the most common problems of sales

performance measurement that relies solely on quantitative data (such as inequality across different sales team roles, product lines or customer accounts). They explained that quantitative sales data might suggest differences in performance among salespersons that may be attributable to the factors beyond the control of the individual. This issue makes this type of measurement problematic, especially in a team-selling context or in long selling cycles. In order to resolve the aforementioned issues, Behrman and Perreault (1982) suggested the usage of a combination of outcome and behavioural sales performance measurement.

The combination of outcome and behavioural sales performance measurement has been tested in prior studies, where findings showed that behavioural and outcome components of salesperson performance are conceptually distinct, but still with a high positive causal relationship (Cravens et al., 1993; Miao & Evans, 2007; Piercy, Cravens, & Lane, 2009; Piercy et al., 1998). A number of studies (e.g. Miao & Evans, 2007; Plouffe et al., 2009) have asked sales persons to provide self-reports on overall performance made on behavioural and outcome items. Those studies used subjective performance measurement. On the other hand, studies that asked managers to rate salespersons performance used objective measurements.

Behrman and Perreault (1982) explained that subjective scales based on only one (or very few) item(s) may be strongly biased by the salesperson's self-perception, because people tend to be overly generous when rating their own performance. This problem could be partially overcome by using rating scales that tap different aspects of sales performance. Those rating scales should be based on items that include various activities. However, if a researcher ensures confidentiality, there is less motivation for respondents to give inflated ratings.

Interestingly, subjective measures are found to correlate highly with sales managers' ratings of salesperson performance, implying objectivity of these measures (Churchill et al. 1985). Piercy et al. (2006) have also confirmed this, indicating that subjective measures are appropriate for a sales context. However, Rich et al. (1999) claimed that the relationship between subjective and objective measure is moderated by the rating format of the subjective measure. In their research, when overall rating formats were used for the subjective performance measure, the average corrected correlation between objective and subjective measures of performance was 0.362, but when a *composite* rating format was used, the correlation was significantly higher 0.477. They confirmed that composite formats increase the strength of the relationship between the objective and subjective measures of performance, probably because they "simplify" the cognitively demanding performance rating task (Rich et al., 1999). At the end, the findings of the aforementioned research generally suggest that the choice of the most appropriate measure may require a trade-off between accurately tapping the domain of the performance construct and minimizing measurement error (Rich et al., 1999), meaning that each has its strengths and its weaknesses.

Ten years later, research that was conducted by Plouffe et al. (2009) also assessed the relationship between subjective and objective salesperson performance measures. In this

research, objective salesperson performance measures were solicited from the management teams of three different firms. However, due to missing data issues, representative pieces of information were obtained only from two companies. Plouffe et al. (2009) reported that firms were using different metrics, so the objective performance measures could not be directly compared between companies. They also agreed that subjective performance measure is appropriate for the study. In addition, Jaramillo et al. (2007) also claimed that the type of job performance measures (subjective versus objective) did not influence their findings.

By analysing all the strengths and weakness of subjective and objective measures, it could be concluded that there are research situations where a self-report subjective measure has unique advantages. Given that our research design considers sampling across many companies and industries, we are one step closer to the usage of subjective measures in the study. In addition, having respondents from different industries reduces the possibility that a company's input (manageable evaluations, sales data, etc.) would be available for all of the respondents. In this situation, the comparability of measures across time or units of analysis is an important concern. If we bear in mind the fact that the confidentiality of respondents has to be guaranteed, it could be concluded that the subjective performance evaluation is the most appropriate. The generalizable subjective performance measure, consisting of a reliable scale, that has been developed in order to tap different aspects of performance will help to eliminate some of the problems of measurement inconsistency (Behrman & Perreault, 1982). A similar conclusion was drawn by Homburg et al. (2011b, p. 62) who used the same scale, explaining that they "used a subjective (vs. objective) sales performance measure because otherwise the performance between salespeople from different companies could not be compared".

Therefore this study adopts the subjective performance scale, developed by Behrman and Perreault (1982), and redefined by Miao and Evans (2007) for measuring of behavioural and outcome performance (presented in Table 20) as reflective first-order factors.

Table 20. Behavioural and Outcome Performance Items

| Constructs                 | Definition   | (Code) Items   |
|----------------------------|--|--|
| Behavioural<br>Performance | Activities and<br>strategies<br>salespeople<br>carry out in the<br>selling process | (BP1) My ability in providing effective information to management. (BP2) My ability in maintaining good customer relations.  |
| Outcome<br>Performance     | Represents the quantitative results of salespeople's efforts                       | (OP1) My performance to sell products with higher profit margins.  (OP2) My performance to generate a high dollar amount of sales in my territory.  (OP3) My performance to quickly generate sales of new company products (OP4) My performance to produce a high market share for my company in |
|                            | enorts   | my territory.  |

Source: Adapted from Behrman, D.N., & Perreault, W.J., Measuring the performance of industrial salespersons, 1982, pp. 355–370; Cravens, D.W., Miao, C.F., & Evans, K.R., The Impact of Salesperson Motivation on Role Perceptions and Job Performance—A Cognitive and Affective Perspective 2007, pp. 89–101.

However, since it is widely accepted that sales people are prone to "faking" in evaluations (Johnson et al., 2009) the way in which performance questions were asked in our study was intended to diminish this. The performance question (containing two behavioural performance items and four outcome performance items as presented in Table 20) was asked as: Think how your supervisor would grade you based on your selling achievements in the last 12 months, compared to the selling achievements of other salespeople in the company. The scale employs a 7-point Likert format, where respondents rate their performance from "much worse than the other salespeople in this company" (1) to "much better than the other salespeople in my company" (7).

## 4.3.6. Socio-demographical and additional questions (Section Four)

Besides measures that have been used to operationalize constructs directly used in the proposed conceptual model, additional measures are also used in the survey. As already stated, sales people are sometimes not completely honest about their evaluations on personality tests, attitude measures, and data measures of biographical or background information (Johnson et al., 2009). This is even more present when the instrument includes subjective performance measurement (K. C. Manning, Bearden, & Tian, 2008). This phenomenon could also be categorized as a form of socially desirable responding (SDR). Crowne and Marlowe (1964, p. 109) defined social desirability responding as "the need for social approval and acceptance and the belief that it can be attained by means of culturally acceptable and appropriate behaviours". Items for measuring socially desirable responding are included in the instrument for two reasons. One is to control for SDR, while the second is to investigate socially desirable responding as a construct itself in future research. In the research conducted by Steenkamp et al. (2010), it was found that the Marlowe-Crowne (1964) scale was by far the most frequently employed SDR instrument. In our study, a short version of this scale is employed (Strahan & Gerbasi, 1972) as presented in Table 21. This scale has been chosen because it received the best feedback from representatives that took part in the pretesting phase.

Table 21. SDR Items

| Construct    | Definition       | (Code) Items   |
|--------------|------------------|--|
| Social       | Tendencies to    | (SDR1) I like to gossip at times.                                    |
| Desirability | provide          | (SDR2) I have never deliberately said something that hurt someone's  |
|              | favourable       | feelings.  |
|              | responses with   | (SDR3) I'm always willing to admit it when I make a mistake.         |
|              | respect to norms | (SDR4) There have been occasions when I took advantage of someone.   |
|              | and standards    | (SDR5) I sometimes try to get even rather than forgive and forget.   |
|              | (Nederhof, 1985) | (SDR6) At times, I have really insisted on having things my own way. |

Source: Adapted from Strahan, R., & Gerbasi, K.C., Short, Homogeneous Versions of the Marlowe-Crowne Social Desirability Scale. 1972, pp. 191-193

The questionnaire included questions to assess respondents' competence and knowledge to answer accurately. Questions were adapted from Homburg and Jensen (2007) and are given in Table 22.

Table 22. Salesperson Competencies

| Construct    | Definition       | (Code) Items   |
|--------------|------------------|--|
| Salesperson  | Extent to which  | (ELIG1) My colleagues would describe me as an expert in sales.       |
| Competencies | typical employe  | (ELIG2) During my professional career I have attended a number of    |
|              | in sales         | sales trainings.   |
|              | knowledgeable    | (ELIG3) I enjoy working in sales, meeting people and their unique    |
|              | about sales job. | perspectives and views.  |
|              |                  | (ELIG4) My job role qualifies me to answer questions about the sales |

Source: Adapted from Homburg, C., & Jensen, O., The thought worlds of marketing and sales: which differences make a difference?, 2007, pp. 124–142.

The last part of the questionnaire consisted of socio-demographic and other sales data as shown in Table 23. There were a total of 14 questions used to profile our respondents individually (e.g., gender, education, status), based on their sales background and position within the company (years of sales experience, position within the company, personal average income). Moreover, since the companies operate in different industries offering diverse products and services, we wanted to gain some knowledge about the companies in which our respondents were employed (size, industry).

Table 23. Socio-demographic and other Sales Questions

| Gender F M   |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| When you were born? 19   |  |  |  |  |  |  |
| Status: Single Steady relationship Living with a partner Married Divorced/Widow                    |  |  |  |  |  |  |
| What is your highest formal education level completed?   |  |  |  |  |  |  |
| High school diploma  |  |  |  |  |  |  |
| Bachelor degree  |  |  |  |  |  |  |
| Master degree  |  |  |  |  |  |  |
| Doctoral or other advanced graduate degree   |  |  |  |  |  |  |
| In which country are you employed?   |  |  |  |  |  |  |
| Bosnia and Herzegovina   |  |  |  |  |  |  |
| Croatia  |  |  |  |  |  |  |
| How many years of full-time sales experience (all industries) you have?years (round to whole year) |  |  |  |  |  |  |
| How many years are you working for this company?years (round to whole year)                        |  |  |  |  |  |  |
| When was your company established? 19  |  |  |  |  |  |  |
| How many employees your company has (in total)?  |  |  |  |  |  |  |
| Micro < 10   |  |  |  |  |  |  |
| Small (SE) from $11-50$  |  |  |  |  |  |  |
| Medium (ME) from $51-249$  |  |  |  |  |  |  |
| Large (LE) from 250  |  |  |  |  |  |  |
| What is the main activity of your company relative to the standard classification of activities?   |  |  |  |  |  |  |
| You are selling: Primarily physical goods Primarily services                                       |  |  |  |  |  |  |
| What is your position in the company?  |  |  |  |  |  |  |
| General Sales President  |  |  |  |  |  |  |
| National Sales Director  |  |  |  |  |  |  |
| Local (Territory) Sales Manager  |  |  |  |  |  |  |
| Sales Representative   |  |  |  |  |  |  |
| Other (please specify)   |  |  |  |  |  |  |
| Approximately what percentage of your income in 2011 is generated by:                              |  |  |  |  |  |  |
| % fixed salary + % of commission + % bonuses = 100%  |  |  |  |  |  |  |
| What was your average monthly salary in 2011?  |  |  |  |  |  |  |

In fact, three out of 14 profile variables (i.e. sales experience and outcome based control) were used as control variables in the conceptual model in accordance with prior research (Krafft, 1999).

### 4.4. Common Method Bias and Measurement Design

Podsakoff et al. (2003) suggested that a questionnaire development process should consider potential problems with method variance. Method variance refers to variance that is attributable to measurement method rather than to the construct of interest (Fiske, 1982). Podsakoff et al. (2003) see method variance as one of the main sources of measurement error that threatens the validity of the conclusions about relationships between hypothesized constructs. Measurement error may be defined as the variation between the information wanted and the information obtained by the measurement process employed by the researcher (Malhotra, 2010). The magnitude of these discrepancies between the observed and true relationships between the constructs resulting from common method variance is known as common method bias (Doty and Glick, 1998).

Since a method variance refers to variance that is attributable to the measurement method, in questionnaire development special attention was paid to the actions that minimize this type of variance. After extensive literature review (Field, 2005; Frankfort-Nachmias & Nachmias, 2007; Iacobucci & Churchill, 2010; Malhotra, 2010, 2011; Zikmund et al., 2010), different methods of avoiding common method bias are discussed.

Podsakoff et al. (1986) suggested that the researcher should obtain multiple measures from different sources and at different points in time in order to minimize the effect of common method variance. Due to the time limitation, narrow financial resources and other issues, this suggestion was not considered in our study. However, this could be seen as a potential for improvement of the study in the future. This study considers issues of socially desirable responding (as discussed in part 4.3.6.) that are seen as a common response bias (Nederhof, 1985). In order to prevent common response bias and social desirability responding, a preestablished scale is included in the questionnaire (Strahan & Gerbasi, 1972).

Another important source of common method variance relates to the scale format (Podsakoff et al., 2003). The importance of the scale format was mentioned by Tourangeau, Rips, and Rasinski, (2000) who claimed that a scale's format and anchors systematically influence responses. Podsakoff et al. (2003) stated that, among others, potential sources of common method biases could be in common scale formats and common scale anchors (repeated use of the same anchor points, e.g., extremely, always, never, in the questionnaire). Consequently, in this study, different scales were used, but in most of the cases, a Likert 7-point scale has been utilized. The Likert scale is a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects (Malhotra, 2010). The semantic differential questions with endpoints associated with bipolar labels have also been used (respondents rate objects on a number of itemized, 7-point rating scales bounded at each end by one of two bipolar adjectives, such as "cold" and "warm" (Malhotra, 2010).

Table 24 provides a list of the scales that have been used to measure particular constructs in this study. From Table 24, it is evident that the suggestion by Podsakoff et al. (2003) to use different scale endpoints and/or formats in order to diminish method biases was followed. Negatively worded items were rarely used in the questionnaire (only two items). The reason is that negatively worded items might be a source of method bias (Schmitt & Stults, 1986). This was also confirmed in our case through our protocol and debriefing sessions, which are explained in Section 4.5.1.

Table 24. List of the Scales and Extremes Used in the Questionnaire

| # | <b>Construct of Interest</b>  | Scale                | Extremes   |
|---|-------------------------------|----------------------|--|
| 1 | Moral judgment                | Semantic             | e.g. Fair/Unfair; Just/Unjust; Morally / Not morally |
|   |                               | differential 7-point | right; Acceptable / Unacceptable to my family        |
| 2 | <b>Emotional Intelligence</b> | 7-point Likert scale | 1- Extremely disagree; 7 - Extremely agree           |
| 3 | Selling Orientation and       | 9-Likert point scale | 1 - True for NONE of your customers-NEVER            |
|   | Customer orientation          |                      | 9- True for ALL of your customers-ALWAYS             |
| 4 | Adaptive selling              | 7-Likert point scale | 1 - Extremely disagree; 7 - Extremely agree          |
| 5 | Behavioural and               | 7-Likert point scale | 1 - Much worse than the other sales people in my     |
|   | Outcome Performance           |                      | company  |
|   |                               |                      | 7- Extremely better than the other salespeople in my |
|   |                               |                      | company  |
| 6 | Social Desirability           | Likert 7-point scale | 1- Extremely disagree; 7 - Extremely agree           |
| 7 | Sales Competencies            | 7-point Likert scale | 1- Extremely disagree; 7 - Extremely agree           |
| 8 | Socio-Demographical           | Multiple choice      | N/a  |
|   | and other sales data          | questions            |  |

Closed-ended questions were seen as appropriate and were used in two parts of the questionnaire. This type of question is appropriate in cases when responses must be compared across multiple respondents and when the questionnaire is administered through the Internet (Zikmund et al., 2010). Also, Malhotra et al. (2011) wrote that a closed-ended response format reduces the time taken to complete the questionnaire, and that was very important in this study, due the large number of items (around 100). In some of the questions, the respondents were asked to fill the number into the boxes for each corresponding question. The questionnaire used dialog boxes, radio buttons, drop-down boxes, check boxes and open-ended boxes that were used in the last question for comments.

In the literature, questionnaire design is found to be a key to both qualitative and quantitative research (Schmidt & Hollensen, 2006). Therefore, special attention was given to the layout of the questionnaire designed to appear both appealing and practical. A light grey-blue layout was used, as it was graded as being more appealing during protocol and debriefing sessions, than the commonly used white. The layout was kept as simple as possible since many respondents' computer and/or Internet connections are not powerful enough to deliver complex graphics at a satisfactory speed. The first page included the University's logo and the short title of the research instrument (Sales as a Profession). The questionnaire appeared page by page (seven pages including the cover page), and each group of questions was shown on a separate screen (Web pages). The paging layout was chosen because it greatly facilitates skip patterns (Zikmund et al., 2010) and because of the length of the instrument, which would not be suitable for scrolling. A push button was placed on the bottom of the each page, clearly describing the actions to be taken. A status

bar was also provided at the beginning of each page as a visual indicator of questionnaire length. In order for the respondents to see their progress towards the end of the questionnaire, a gauge in the heading fills from left to right as the respondent proceeds from Start to Finish.

#### 4.5. Pre-Testing

Before conducting the main study, a pre-test was run. Pre-testing is testing of the questionnaire on a small sample of respondents with the aim of identifying and eliminating potential problems (Malhotra, 2011). In this particular case, especially because of the language issues and translation that could lead to survey instrument error, significant pre-testing was undertaken, and some questionnaire revisions were made.

Pre-testing in our research included two phases: protocols/debriefings and pilot study as Malhotra (2011) suggested. In the first phase, protocols/debriefings tested individual questions via personal interviews as suggested by Reynolds and Diamantopoulos (1998). In this phase, we checked the difficulty of the questions, content, wording, sequence and physical characteristics of the questionnaire (Oppenheim, 1966). The second phase of pretesting (called the pilot study) employed the same media as were planned to be used in the main study (Fourie, 2004). Therefore, the pilot study tested the entire process of data collection and even the first steps of the analysis (Monette, Sullivan, & DeJong, 2010). In the sections that follow, both phases (protocols/debriefings and pilot study) are explained, with special focus on findings.

## 4.5.1. Protocol and Debriefing

Protocol analysis and debriefing are widely used methods in the pre-testing process. Diamantopoulos et al. (1994) explained that, in the protocol analysis method, the researcher should run the interview with respondents who should try to think out loud while answering the questions from the questionnaire. Once they complete the questionnaire, respondents should justify their answers and state any potential difficulties encountered through debriefing (Malhotra, 2010). Reynolds and Diamantopoulos (1998) claimed that the protocol is very useful for long questionnaires and it provides much more information than the debriefing method.

Five protocols were conducted with five sales managers. Two additional debriefings were conducted with the two psychotherapists, and two with marketing academics. All sessions lasted between 45-60 minutes. Knowing that knowledgeable respondents are more likely to consider each question in a broader context than respondents without knowledge (Engel, Blackwell, & Miniard, 1995) special attention was given to selection of the knowledgeable participants (education, position and years of experience) in the protocol and debriefing sessions. More details on respondents are given in Table 25.

Table 25. Respondents Involved in Protocols and Debriefings

| # | Gender | Industry                                    | Position  | Years of experience | Method<br>applied |
|---|--------|---|---|---------------------|-------------------|
| 1 | M      | FMCG  | Brand manager (national)  | 12                  | Protocol          |
| 2 | M      | IT Industry                                 | Sales Manager   | 6                   | Protocol          |
| 3 | M      | Financial Services                          | Sales Manager   | 2                   | Protocol          |
| 4 | M      | Publishing                                  | Executive Director  | 7                   | Protocol          |
| 5 | M      | Pharmaceutical Industry                     | Executive Director  | 4                   | Protocol          |
| 6 | F      | Psychologist and Gestalt<br>Psychotherapist | HR and Recruiting Specialist                                    | 2                   | Debriefing        |
| 7 | M      | Psychotherapist: Higher Education           | Faculty member at the Faculty of Humanities and Social Sciences | 22                  | Debriefing        |
| 8 | F      | Higher education                            | Assistant professor of Marketing                                | 12                  | Debriefing        |
| 9 | F      | Higher education                            | Professor of Marketing  | 8                   | Debriefing        |

As all original scales employed in the questionnaire were developed in English, they needed to be translated into the native languages of the countries included (Bosnian and Croatian). During the translation process, special attention was given to the definitions and understandability of the questions. The questionnaire was translated from English to Bosnian and back translated from Bosnian to English by two independent bilinguals. This method has been widely used in the marketing literature (Jaramillo & Marshall, 2004). Language issues are extremely important for the selected countries because the Bosnian and Croatian languages differ in various nuances only, which however serve as sources of ethnic, religious, social and political differentiation (Vida, Dmitrovic & Obadia, 2008).

The main concern raised by respondents that took part in the protocol was the length of the questionnaire. They argued that salespersons do not spend much time in their office and hence it will be difficult for them to fill out such a long questionnaire. One respondent explained the situation using the following words: "It will happen that a salesperson will start filling it in, but will soon lose the willingness to help you because it is too long and too time-consuming." Unfortunately due to the model's complexity, we were not able to shorten the questionnaire.

Three respondents claimed that due to language issues (according to these respondents the Bosnian and Croatian language are both "more direct" than English) they would not be so sincere in responding to items SO4 and SO5 of the SOCO scale when asked these questions in Bosnian or Croatian, whereas if asked in English they felt they would have answered them in a more sincere manner, implying that within the literal translation of these two items in Bosnian and Croatian, the meaning of these items is altered and sounds more judgmental than it does in English. Therefore, to assure their sincerity, these items were again re-worded in their local language (i.e. Bosnian and Croatian). In addition, after reading questions in Bosnian/Croatian and in English, the respondents suggested the rewording of all the questions of the ADAPTS-SV scale and making them more comprehensive and common for an average salesperson. Respondents were provided with different performance measurements that have been used in the literature. Respondents confirmed that the scale developed by Behrman & Perreault (1982) and adapted by Miao & Evans, (2007) is the most useful from their point of view. Therefore, this scale is used in the final questionnaire.

Special attention was given to the emotional intelligence measurement, especially through debriefings with two respondents who are primarily professionally involved in psychology. From the three scales offered (namely, the WLEIS, AES and EIME scale), they rated AES (Schutte et al., 1998) as the most useful, considering the cultural environment of Bosnia and Herzegovina, and Croatia. However, some of the questions in the AES scale were incomprehensible, vague and ambiguous for participants. Therefore, they graded AES as the most convenient, but suggested removing some of the items. In order to resolve but also to re-examine this issue, two additional focus groups with experts in psychology were conducted. Details about focus groups participants are given in the table in Appendix B, while the final adjustments of the AES scale were made after the pilot study was conducted using the complete AES. Therefore, focus group findings and comments are presented in Section 4.5.2 after the reporting of the pilot study findings.

The use of protocols during the pre-testing procedure indicated that survey instrument error was unlikely to be a problem. No problems or complaints were highlighted in terms of design and layout. The next phase in the pre-test was the pilot study.

#### 4.5.2. Pilot Study

A pilot study (or feasibility study) is a small-scale version, or trial run, done in preparation for the major study (Somekh & Lewin, 2011) which is very often "under-discussed, underused and under-reported" (Prescottt et al., 1989, p. 60). We conducted a pilot study with the aim of testing the operationalized scales and to examine whether all of the variables assumed to affect a certain construct really do so in practice. Furthermore, the proposed pre-established scales were tested and further refined. Therefore, the objectives of our pilot study were:

- To test the adequacy of the research instruments;
- To improve the internal validity of the questionnaire;
- To assess the feasibility of a (full scale) study/survey;
- To assess whether the research protocol is realistic and workable;
- To identify logistical problems, which might occur with use of the proposed methods;
- To determine what resources (finance, staff) are needed for the planned study; and
- To assess the proposed data analysis techniques to uncover potential problems.

The pilot study was done from 10 September to 10 October 2011. Procedures for doing a pilot study, as suggested by Somekh and Lewin (2011), were followed. The questionnaire was administered to the pilot subjects in exactly the same way as it was administered in the main study. The online questionnaire was created by using LimeSurvey (2010), a Webbased questionnaire generator tool, hosted on the server of the School of Economics and Business in Sarajevo.

An introductory e-mail was sent to 500 sales professionals (250 in Bosnia and Herzegovina and 250 in Croatia). The recommendation given by Brace (2004), who claimed that

respondents in the pilot should be chosen to represent a broad range of the types of people to be included in the main study, was followed. On the other hand, Malhotra (2011) claimed that convenience samples could be used for pilot studies. Knowing that judgmental sampling is a form of convenience sampling in which the population elements are selected based on the judgment of the researcher, the selected sample of salespersons is appropriate for this pilot study.

Potential respondents received a URL address in the form of a hypertext link included in the introductory e-mail sent by the researcher. The e-mail invited the recipients to visit the Web page to complete the questionnaire. The introductory e-mail professed assurance of anonymity and confidentiality to respondents and informed them about the fact that the results were only going to be used for academic purposes.

Furthermore, the accompanying message informed the respondents about the purpose of the study, and offered a managerial summary of the study's main findings upon request. E-mail reminders were sent to salespersons who did not fill out the survey one week after the first questionnaire, asking them to complete and submit the questionnaire. A second e-mail reminder was sent one week after the first e-mail reminder. After 30 days, a total of 90 participants completed the questionnaire (84 fully completed + 6 partly completed but useful), which corresponds to a response rate of 18%.

The average respondent was born in 1979, has 5.5 years of full-time experience, and has a 712.162 EUR average NET monthly income. Other descriptive statistics data are presented in Table 26.

Table 26. Descriptive Statistics, Pilot Study Respondents

| Gender                                 |    | Country of employment:              |    |
|--|----|-------------------------------------|----|
| F                                      | 48 | Bosnia and Herzegovina              |    |
| M                                      | 36 | Croatia                             | 36 |
| Not reported                           | 6  | Not reported                        | 10 |
| Level of the Highest formal education: |    | Status:                             |    |
| High school diploma                    | 12 | Single                              | 30 |
| Bachelor degree                        | 44 | Married                             | 33 |
| Master degree                          | 26 | Living with a partner               | 12 |
| PhD degree                             | 0  | Divorced                            | 2  |
| Not reported                           | 8  | Steady relationship                 | 5  |
|  |    | Not reported                        | 8  |
| You are selling:                       |    | Does your company offer bonuses for |    |
| Primarily physical goods               | 36 | extraordinary sales results?        |    |
| Primarily services                     | 38 | Yes                                 | 30 |
| Not reported                           | 16 | No                                  | 38 |
| -                                      |    | Not reported                        | 22 |

Missing values have been checked showing that the instrument did not contain any pattern for missing values. In addition, outliers were closely examined because outliers could bias the mean and inflate the standard deviation (Field, 2005). We decided to employ two methods suggested by Field (2005):

• Removing the case, i.e., deleting the data from the person who contributed the outlier. This procedure was done to all extreme outliers, bearing in mind the

theoretical background of the treated construct. All removed outliers either suggested that the respondent made a mistake while answering the question or there was reasonable doubt that the particular case is not from the population intended to constitute the sample. This procedure raised the percentage of not reported values in the total data set from 6% to 7.46%.

• Changing the score was done to the rest of the outliers whose scores seemed to be very unrepresentative. As Field (2005) suggests, we allowed a new score to be one unit above the next highest score in the data set. This specific step was employed for 22 cases.

In the rest of the analyses, the data set with treated outliers was observed because parallel analysis of the two different data sets (with and without outliers treated) empirically demonstrated the benefits of outlier removal. This was especially obvious in correlations and the scale reliability test that showed significant changes in statistics as a function of the removal of outliers. Furthermore, all scales and subscales used in the questionnaire were tested for Cronbach's Alpha reliability (Cronbach, 1951), as presented in Table 27.

Field (2005) explained that even though it is very common in books and journal articles to interpret Cronbach's Alpha value 0.7-0.8 as an acceptable value, this could not be taken as a rule. Cognitive research, such as intelligence tests and ability tests, indicates that a cut-off point of 0.7 is more suitable (Kline, 2000). Kline (2000) claims that for measuring psychological constructs values below 0.7 could be expected because of the diversity of the constructs being measured. Therefore, all presented scales and subscales (excluding the Emotional Intelligence Measure) proved their reliability based on Cronbach's Alpha.

Table 27. Reliability of the Scales Employed in the Questionnaire

|                              | Reliability Sta     | tatistics Scale Statistics |       |          | ics   |
|------------------------------|---------------------|----------------------------|-------|----------|-------|
| Scale                        | Cronbach's<br>Alpha | N of<br>Items              | Mean  | Variance | SD    |
| Ethics_Moral Equity          | .774                | 9                          | 52.02 | 48.685   | 6.977 |
| Ethics_Relativistic          | .805                | 6                          | 27.56 | 60.304   | 7.766 |
| Ethics_Contractualism        | .797                | 6                          | 18.22 | 68.491   | 8.276 |
| EI_Managing Others' Emotions | .527                | 8                          | 42.51 | 25.985   | 5.098 |
| EI_Managing Own Emotions     | .626                | 9                          | 48.71 | 41.676   | 6.456 |
| EI_Perception of Emotion     | .751                | 10                         | 51.81 | 56.664   | 7.528 |
| EI_Utilization of Emotion    | .605                | 6                          | 32.71 | 23.480   | 4.846 |
| Customer Orientation         | .707                | 5                          | 31.22 | 10.555   | 3.249 |
| Selling Orientation          | .837                | 5                          | 18.94 | 58.691   | 7.661 |
| Adaptive Selling             | .912                | 5                          | 24.64 | 55.599   | 7.457 |
| Outcome Performance          | .895                | 6                          | 28.91 | 31.190   | 5.585 |
| Behavioural Performance      | .825                | 6                          | 32.32 | 27.696   | 5.263 |

Given the low Cronbach's Alpha coefficient for Emotional Intelligence items, as well as the comments of the experts during protocol and debriefing sessions, this construct was additionally investigated through two additional focus groups.

Focus group participants (n=8 and n=12), experienced experts in psychology, psychotherapy and psychoanalysis from Bosnia and Croatia, suggested to select nine out of 33 items that are understandable, comprehensive and usually talked about by people from

the present cultural context. They categorized the rest of the items (24) as incomprehensible and inappropriate for this cultural context. Since this is the first research conducted within the present cultural context, some adjustments of the EI measurement instrument were thought to be appropriate. In addition, following the suggestions from protocol sessions (i.e., that the questionnaire is too long for salespeople), and the fact that the EI dimension exercises poor reliability through the pilot test, we decided to use only nine items of the AES (given in Table 28).

Table 28. Emotional Intelligence Items Kept for the Main Study

| Code        | Items   |
|-------------|---|
|             | EI_Managing Others  |
| <b>EI13</b> | I arrange events others enjoy.  |
| <b>EI24</b> | I compliment others when they have done something well.                               |
| EI30        | I help other people feel better when they are down.                                   |
|             | EI_Managing Own   |
| <b>EI28</b> | When I am faced with a challenge, I never give up because I know I will be successful |
| <b>EI31</b> | I use good moods to help myself keep trying in the face of obstacles.                 |
|             | EI_Emotions Perception  |
| EI29        | I know what other people are feeling just by looking at them.                         |
| <b>EI32</b> | I can tell how people are feeling by listening to the tone of their voice.            |
|             | EI_Emotions Utilization   |
| <b>EI17</b> | When I am in a positive mood, solving problems is easy for me.                        |
| EI20        | When I am in a positive mood, I am able to come up with new ideas.                    |

Furthermore item, no. 28 was additionally adapted based on inputs obtained through debriefing sessions and the negative sign of the correlation. Item 28 (i.e., When I am faced with a challenge, I give up because I believe I will fail) originally was a reverse scored item. Because of translation simplicity, if positively scored it would be more understandable for respondents, therefore we changed it to: When I am faced with a challenge, I never give up because I know I will be successful.

Moreover, Douglas and Nijssen (2003) claim that in an international context it would be better to use shortened versions of scales that reflect core items of a construct and which correspond to the cultural context where the research is being conducted. Given that during two focus groups our experts in the field of psychology selected nine items (listed in Table 28) that are both, reflective of the core meaning of EI and culturally acceptable, in the main study we used only those to measure EI. Furthermore, additional necessary changes have been made to the measurement instrument, such as: all difficult or ambiguous questions were discarded; some items were re-worded or re-scaled. The pilot study confirmed the need for introducing additional questions that are related to socio-demographics and other sales data. It is important to note that data obtained through the pilot study will not be used to test hypotheses or included with data from the main study when the results are reported.

### 4.6. Collection Method and Response Rate Enhancement in the Main Study

As already mentioned in Section 4.2.2., the questionnaire (for both pre-testing and the main study) was built with Limesurvey. The main study took place from 2 February to 2 May 2012. Respondents were sent e-mails with an invitation to participate in the research, and with a questionnaire link. The sample frame included 2000 valid e-mail addresses of sales representatives employed in Bosnia and Herzegovina, and 1500 valid e-mail addresses of sales representatives employed in Croatia.

Since we had a problem that buy-in databases of salespersons in Bosnia and Herzegovina and Croatia do not exist, we formed a database through an Internet search. Panagopoulos et al. (2011) argued that this is a very common problem in international sales research that should be easily overcome through local researchers that can form personal relationships with salespersons and construct their database. Therefore, personal contacts were also included. The invitation letter guaranteed the anonymity and confidentiality of respondents. Anonymity was explained to respondents as the assurance that their names would not be identified with the information they gave (Collis & Hussey, 2009). By offering them confidentiality, the respondents were safe that sensitive information they offered would not be disclosed and research data would not be traced to any individual or organization (Collis & Hussey, 2009).

Particular techniques were introduced into the research in order to improve response rates and to make the survey more appealing. As Dillman (2007) suggests, different methods have been used in this research in order to affect the reward, cost, and trust matrix. Those methods are:

- 1. Altruism: The invitation letter that was sent by e-mail to potential participants explained the purpose of the study and asked for their help by highlighting the fact that without their help the researcher would not be able to complete her degree (please see Appendix C for a copy of the letter). We hoped that potential respondents would show altruism and feel special in the thought of helping someone who was kindly asking for their input.
- 2. Ask for advice: The invitation letter was structured to ask potential participants for help, advice or assistance in completing a doctoral research. The reason for doing so is that people often get a sense of accomplishment from knowing they have helped someone else solve a problem.
- 3. Stating Support by Legitimate Authority: The top of the questionnaire contained the logos of the School of Economics and Business, University of Sarajevo and the Faculty of Economics, University of Ljubljana, stating that these two institutions support the research.
- 4. Support group values: Bearing in mind that most people identify with certain groups, which may be as broad as citizens of the country, it was clearly stated that this research is the first study on sales in Bosnia and Herzegovina and Croatia.
- 5. Offering a tangible reward: Unfortunately, due to limited financial resources, no type of monetary incentives could be offered to participants. However, a non-monetary incentive was offered. Respondents were offered to write their e-mail

- address at the end of the questionnaire so that they could receive a summary of the research results (managerial report).
- 6. Make the questionnaire interesting: Cialdini (2006) argued that "liking" to do something is a powerful determinant of behaviour. That is why efforts were made to make the questionnaire as interesting as possible to respondents. Layout and design were specially designed for this purpose (please see Appendix D for an overview of the questionnaire); questions were ordered so the more interesting ones were placed at the beginning.
- 7. Follow-up: After submission of the filled out questionnaire, all respondents received a "thank you" e-mail as a follow up.

Most of the e-mail invitation letters were personalized (68%), while some of them were impersonal (32%). Data analysis revealed that the response rate for personalized e-letters was much higher (28%) than for impersonal ones (7%). This confirms the findings of Dillman (2007) that personalized messages sent individually are most likely to get a response. We acknowledge that our data collection method was unequally effective across different parts of the countries.

#### 4.7. Sampling Process

"Sampling involves any procedure that draws conclusions based on measurements of a portion of the population" (Zikmund et al., 2010, p. 68). Different authors have explained the sampling design process in different ways. According to Malhotra (2010, p. 372), "the sampling design process includes five steps". Table 29 provides an explanation of each phase, together with actions carried out and decisions made through the different phases of sampling in our particular research.

Table 29. Overview of the Sampling Design Process

| Step  | Explanation   | In this research   |
|---|---|--|
| 1.<br>Definition of<br>target<br>population | Who is to be sampled?   | Focus on B2B companies in Bosnia and Herzegovina and Croatia, targeting:  Persons employed in sales departments;  Persons employed for sales activities;  Persons whose job description includes sales activities beside other activities;  Additional eligibility criteria:  Minimum 1 year of sales experience in the last 10 years of working experience.  Insight into direct contact with the Customer/Buyer, in negotiating about price, time, and amount. |
| 2. Determination of sampling frame          | Sampling frame is complete list of all eligible sampling units. | Based on qualitative insights from interview with General Director of GfK BH Mrs. Elma Pašić, it was confirmed that a database of B2B salespersons does not exist either in B&H or in Croatia. Therefore, Web search was performed in order to establish an appropriate date base.   |

Table continues

| Continued                                   |   |  |
|---|---|--|
| 3.<br>Selection of<br>sampling<br>technique | Sampling technique is the process according to which a sample is obtained. Could be broadly classified as 'probability (there is ability to specify the probability at which each sampling unit of the population will be included in the sample) and non-probability (there is no way of specifying the probability of each units' inclusion in the sample, and there is no assurance that every unit could be included in sample) | "Social scientists are often using non-probability samples, especially in cases when sampling population cannot be defined precisely or when a list of sampling population is unavailable" (Frankfort-Nachmias & Nachmias, 2007, p. 167). Size of the population for this research is unknown; therefore non-probability (purposive) sample is used.   |
| 4. Determination of sample size             | Sample size refers to the number of elements to be included in the study (Malhotra, 2011).  | In literature a sample size of 200 respondents is identified as a minimum for testing the model using advanced multivariate techniques (Hair, Black, Babin, & Anderson, 2010). Taking into consideration the nature of the research, number of variables, the nature of analysis and samples size used in previous similar studies, sample size in this study was determined as appropriate. |
| 5. Execution of sampling                    |   | The method suggested by Dillman (2006) was employed, using two follow-up stages.   |

#### 4.8. Final Sample Size

A total of 3500 potential respondents received an e-mail invitation to participate in the main research. Two thousand of them are employed in Bosnia and Herzegovina and 1500 in Croatia. After two e-email reminders, a total of 739 questionnaires were fully or partly filled out. This yielded a relatively high response rate (21%) for an Internet-based survey. Having a relatively large sample, we additionally scanned and purified the sample through four rounds in order to achieve homogeneity. In Table 30, we present the number of questionnaires left after each of the four purification phases.

Since the questionnaire did not contain reverse coded items, purifying of the measures used in this study could begin. As the first step, rules of thumb were followed. The first rule of the thumb (Hair et al., 2010) is to consider individual cases, which have more than 10% of data missing, as candidates for deletion. This left us with a total sample of 627 respondents, as illustrated in Table 30; 79 cases were removed from the Bosnian sample, while 37 cases were removed from the Croatian sample.

Table 30. Sample Left after Four Rounds of the Purification Process

| Table 30. Sample Left after 1 our Rounds of the 1 utilication 1 focess |              |                        |           |      |       |  |  |
|--|--------------|------------------------|-----------|------|-------|--|--|
|  | Bosnia and I | Bosnia and Herzegovina |           |      | Total |  |  |
|  | Frequency    | %                      | Frequency | %    |       |  |  |
| Initial Questionnaires returned  | 409          | 55.3                   | 330       | 44.7 | 739   |  |  |
| Round 1 (10% of data missing)  | 334          | 53.3                   | 293       | 46.7 | 627   |  |  |
| Round 2 (min 1 year of sales experience)                               | 331          | 54.4                   | 278       | 45.6 | 609   |  |  |
| Round 3 (Competence of the respondents)                                | 290          | 53.8                   | 249       | 46.2 | 539   |  |  |
| Round 4 (Outliers)   | 286          | 53.9                   | 245       | 46.1 | 531   |  |  |

In defining the sample frame, the condition was set up that respondents should have a minimum of one year of sales experience. This was set up in order to increase the representativeness of the sample. Following this criterion, respondents with no sales experience were eliminated in the second round of the purification process (three respondents were eliminated from the Bosnian sample, while the Croatian sample was reduced by 15 respondents).

In purification round three, the competence of the respondents was assessed. The questionnaire included four questions, adapted from Homburg and Jensen (2007) and assessed on a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree), about the competence of respondents to answer accurately. Responses to these four questions were aggregated, and all respondents with an aggregate score lower than 4 were removed. Therefore, the remaining respondents were knowledgeable of the issues from the questionnaire, so we could have strong confidence in the accuracy of the data. By removing incompetent respondents, 41 cases and 29 cases were removed from the Bosnian sample and Croatian sample, respectively. This process left us with 539 respondents in total, as shown in Table 30.

The last, fourth round was about removing outliers. The data set was screened once more, and four cases were additionally removed from the Bosnian sample and another four from the Croatian sample. This process left us with the total of 531 respondents as shown in Table 30, which was the final sample in this study.

# 4.9. Missing Values and Imputation

Additional attention is given to missing values, since Hair et al. (2009) claims that missing observations could pose a major challenge to scholars in the social sciences. In order to decide how to treat potential missing values, the amount of missing data is explained and identified.

To determine the amount of missing data, a missing value analysis (MVA) was conducted. The aim was to test whether data are missing completely at random (MCAR) or not. MCAR means that "observed values of Y are truly a random sample of all the Y values, with no underlying process that lends bias to the observed data" (Hair et al., 2010, p. 49). Zikmund et al. (2010) claim that if data are MCAR, any missing-data imputation method can be applied. In order to test for missing values, MVA analysis using SPSS 20 was obtained. The MCAR is indicated by a non-significant statistical level of the t-value for group comparisons (Hair et al., 2009). The non-significant level of Little's MCAR test for this study was 0.279 (Chi-Square = 8972.593, DF = 8895), which demonstrates the MCAR pattern. Missing value analysis also showed that our data set did not contain variables with more than 15% of missing data that, according to Hair et al. (2009), could be candidates for deletion.

Since further analyses involve methods that are not able to handle missing data, imputation has to be performed. Imputation is "the process of estimating missing data of an

observation based on valid values of other variables" (Hair et al., 2009, p. 53). In recent literature, many forms and methods of imputation have been explained and discussed (e.g., Listwise deletion, Pairwise deletion, Mean substitution, Expectation maximization, Full information maximum likelihood, Mean imputation, Multiple imputation and Regression imputation). However, it is evident that each of these has its own advantages and disadvantages in maximizing a reliable and effective sample size.

In order to choose the appropriate imputation method for a particular research situation, an interesting simulation study was conducted by Olinsky et al. (2003). Their focus was on the application of structural equation modeling by using a data set generated through the comparison of five imputation techniques: expectation maximization (EM), full information maximum likelihood (FIML), mean substitution (Mean), multiple imputation (MI), and regression imputation (Regression). In their test, they take into consideration different levels of sample size and different levels of incompleteness of data in order to assess the percentage of biased data. Their findings suggest that multiple imputation is the superior method of those which impute missing data and result in a complete data set. This method operates on the same algorithm as the EM method, which is the next best option. EM had the least biased results with a sample size of 200, while with larger sample sizes (more then 500) and larger percentages of missing values (32%), it did not demonstrate robustness.

This study has two samples (N=286 and N=245) with less than 5% of missing values; therefore, two independent imputations are conducted. In addition, our aim is to get complete data sets after imputation, which would allow us to use the obtained data set for computations in some other programs (e.g., SPSS, LISREL, SmartPLS). Knowing that the EM method always performed at the top in the Olinsky at al. (2003) study, and pursuant to the objectives of our study, the EM method is applied. The EM algorithm is used through a SPSS 20 program, independently for the two countries. The EM algorithm uses a two-step procedure. In the first step, missing values are replaced based on present data and an initial estimate of the covariance matrix. In the second step maximum likelihood estimates of the mean vector and covariance matrix are obtained. These estimates are then recycled through step one and step two until there is convergence in the parameter estimates (Olinsky et al., 2003).

#### 5. DESCRIPTIVES AND MEASUREMENT MODEL ANALYSIS

This chapter is the most extensive chapter in the dissertation. It starts with a short exploration of the profile of respondents, with special attention to their sales-related data. Afterwards, the focus of the chapter is on the presentation of the results of exploration and the purification of all items and scales used in this study. Two important procedures were followed: item analysis using exploratory factor analysis, and dimensionality and validity assessment using confirmatory factor analysis. The measurement model is analysed for each proposed construct in both samples. In addition, a measurement invariance test is conducted as a prerequisite for testing the hypotheses. Therefore, throughout this chapter the usage of different statistical methods, such as those of univariate, bivariate and multivariate statistics, are exercised.

### 5.1. Profile of the Respondents

Before going into further analysis of the research constructs, it is necessary to take a closer look at the respondents in Bosnia and Herzegovina (BH), and Croatia (CRO). Therefore, the purpose of this section is to explore the general characteristics of the salespersons who provided information for the study. Variables evaluated in this section are variables included in the fourth part of the questionnaire named *Socio-demographic and additional questions*, which have been presented in Section 4.3.6.

The analysis encompasses 531 respondents; 286 from Bosnia and Herzegovina and 245 from Croatia. Their demographic profile is presented in Table 31, which shows that our respondents are relatively well distributed between both genders. In Bosnia and Herzegovina, the majority of respondents are married (61.5%) or in a steady relationship (17.1%), while in Croatia, the percentage of married respondents is lower (37.6%) but is compensated by the percentage of respondents who are in a steady relationship (34.3). With regard to educational levels, in both countries most respondents have a university education or high school education (cumulatively 89.2% in BH and 85.3% in CRO).

Table 31. Respondents' Gender, Status and Education

|                                  | Bosnia and Herzegovina |      |              | Croatia   |      |              |  |
|----------------------------------|------------------------|------|--------------|-----------|------|--------------|--|
|                                  | Frequency              | %    | Cumulative % | Frequency | %    | Cumulative % |  |
| Female                           | 117                    | 40.9 | 40.9         | 126       | 51.4 | 51.4         |  |
| Male                             | 169                    | 59.1 | 100          | 119       | 48.6 | 100          |  |
| Single                           | 35                     | 12.2 | 12.2         | 42        | 17.1 | 17.1         |  |
| Steady relationship              | 49                     | 17.1 | 29.4         | 84        | 34.3 | 51.4         |  |
| Living with a partner            | 23                     | 8    | 37.4         | 21        | 8.6  | 60           |  |
| Married                          | 176                    | 61.5 | 99           | 92        | 37.6 | 97.6         |  |
| Divorced/Widow                   | 3                      | 1    | 100          | 6         | 2.4  | 100          |  |
| High school diploma              | 65                     | 22.7 | 22.7         | 111       | 45.3 | 45.3         |  |
| Bachelor degree                  | 190                    | 66.4 | 89.2         | 98        | 40   | 85.3         |  |
| Master degree                    | 30                     | 10.5 | 99.7         | 32        | 13.1 | 98.4         |  |
| Doctoral / other advanced degree | 1                      | 0.3  | 100          | 4         | 1.6  | 100          |  |

In Table 32, respondents' characteristics regarding their sales jobs are analysed. An especially important variable is that dealing with the sales experience of respondents, because, similar to studies conducted in the past (e.g., Franke & Park, 2006; Jaramillo & Grisaffe, 2009), this variable is used as a control variable in the model. As reported in Table 32, the minimum number of years our respondents spent working in sales was one year. On average, they have been working in sales for approximately 9 years. Moreover, the minimum time our respondents spent within the present company is one year, while the maximum time is 20 years for BH respondents and 29 years for CRO respondents. In average, our respondents have been working for their present company for 6.17 and 5.63 years for BH and CRO respondents, respectively. We believe that the time our respondents spent with their present company is appropriate in terms of the guarantee that they are knowledgeable about the sales process within their company.

In addition, a question about their own average monthly NET income was asked. Respondents provided answers stating the official currency in their countries (BAM for Bosnia and Herzegovina, and HRK for Croatia). However, with the aim of achieving comparability of results, the reported incomes were converted into EUR<sup>16</sup>. Therefore, the average monthly NET income of our respondents is 960 EUR in Bosnia and Herzegovina and 1.082 EUR in Croatia.

Table 32. Respondents' Age, Sales Experience and Income in 2011

|                                 |    |      |      |       | Bosnia and Herzegovina |      |       |        |      | Croatia |      |        |       |      |
|---------------------------------|----|------|------|-------|------------------------|------|-------|--------|------|---------|------|--------|-------|------|
|                                 |    |      |      |       | N                      | Min  | Max   | Mean   | SD   | N       | Min  | Max    | Mean  | SD   |
| Years                           | of | full | time | sales | 286                    | 1    | 35    | 9.33   | 6.18 | 245     | 1    | 29     | 8.79  | 6.14 |
| experience                      |    |      |      |       |                        |      |       |        |      |         |      |        |       |      |
| Time spent with present company |    |      |      | 286   | 1                      | 20   | 6.17  | 4.31   | 245  | 1       | 29   | 5.63   | 4.97  |      |
| Average monthly NET income      |    |      |      | 286   | 110                    | 4100 | 960.5 | 507.93 | 245  | 202     | 4436 | 1081.8 | 595.0 |      |

Our Bosnian respondents earn 85.56% of their salary through a fixed amount, while 9.69% is obtained through bonuses and an additional 4.75% through commission. In the case of Croatia, the situation differs slightly with Croatian salespersons receiving 77.7% of their salary as fixed income, 11.45% through commission and an additional 10.81% through bonuses (the income structure is given in table form in Appendix E). Therefore, it could be argued that given the structure of the income reported by our respondents, the average salary of salespersons (e.g., Croatia: 1081.8 x 0.777= 839.9 EUR) is a bit higher than the average monthly NET salary in general reported in Statistical Yearbook of Republic of Croatia (Croatian bureau of statistics, 2011) which was 725 EUR in 2011. In Bosnia and Herzegovina it was 416 EUR (Agency for Statistics, 2012).

One of the reasons why our respondents still earn more than the average salary reported in both countries could be explained by the position that they hold within their companies.

<sup>&</sup>lt;sup>16</sup> The currency board keeps the Konvertibilna Marka (BAM) pegged to the Euro in the exchange rate €1.00= BAM 1.95583. The average exchange rate in 2011 for the Croatian Kuna was €1.00= HRK 7.439, based on data provided on <a href="http://sdw.ecb.europa.eu/quickview.do?SERIES">http://sdw.ecb.europa.eu/quickview.do?SERIES</a> KEY=120.EXR.A.HRK.EUR.SP00.A

This study managed to access senior level sales managers in more than 32.7% of the companies. The highest percentage of respondents, about 44% in Bosnia and 67% in Croatia, were sales representatives. The lowest proportion of the informants were those who are officially working on some other positions but are also carrying out various sales tasks due to their daily job activities (e.g., marketing managers, assistants, export managers, and account managers). This group of informants accounted for less than 4.2 and 0.8 per cent of the Bosnian and Croatian respondents, respectively.

Table 33. Respondents' Positions within the Company

|                                 | Bosnia and Herz | egovina | Croatia   |      |  |
|---------------------------------|-----------------|---------|-----------|------|--|
|                                 | Frequency       | %       | Frequency | %    |  |
| General Sales President         | 9               | 3.1     | 2         | 0.8  |  |
| National Sales Director         | 50              | 17.5    | 29        | 11.8 |  |
| Local (Territory) Sales Manager | 89              | 31.1    | 49        | 20   |  |
| Sales Representative            | 126             | 44.1    | 163       | 66.5 |  |
| Other position                  | 12              | 4.2     | 2         | 0.8  |  |

The unit of observation in the study was an individual, but information about the company in which the respondents work was also gathered. In terms of the sector, most of the respondents were from service companies (73% in BH and 56.7% in CRO).

Company size has been used as a control variable in a number of performance studies (e.g. Guenzi, 2003; Homburg, Workman, & Krohmer, 1999) so we believed it is appropriate to further explore this variable in terms of the size of the specific companies in which respondents are employed. The current study uses the number of companies' total full-time employees to measure company size as given in Table 34. This is the most common way to measure company size (Hart et al., 1994). In order to classify companies as micro, small, medium and large, the definition of the European Commission (2005) has been used. This definition classifies companies that employ fewer than 10 persons as micro companies. A small company employs fewer than 50 persons, while a medium-sized company employs fewer than 250 persons. Companies that employ more than 251 persons are defined as large companies.

Table 34. Information about the Companies in which Respondents are Employed

|                                    | Bosnia and Herzegovina |      |              |           |      |                  |
|------------------------------------|------------------------|------|--------------|-----------|------|------------------|
|                                    | Frequency              | %    | Cumulative % | Frequency | %    | Cumulativ<br>e % |
| Primarily physical goods           | 209                    | 73.1 | 73.1         | 139       | 56.7 | 56.7             |
| Primarily services                 | 77                     | 26.9 | 100          | 106       | 43.3 | 100              |
| Micro, < 10 employees              | 25                     | 8.7  | 8.7          | 38        | 15.5 | 15.5             |
| Small (SE), from 11 - 50 employees | 123                    | 43.0 | 51.7         | 68        | 27.8 | 43.3             |
| Medium (ME), from 51 - 249         | 72                     | 25.2 | 76.9         | 76        | 31.0 | 74.3             |
| Large (LE), from 250 employees     | 66                     | 23.1 | 100          | 63        | 25.7 | 100              |

By looking at Table 34 we can sum-up percentages of the persons employed in small and medium sized companies, resulting in 68.2% for BH and 58.8% for CRO. Therefore, by inspection of Table 34 and the figure given in Appendix F, we could observe that most of

our respondents are employed in small and medium enterprises (SMEs). This is in line with the officially available data that "SMEs represent 70% of all Croatian companies" (CEPOR, 2011), while SMEs generate around 60% of the Bosnian GDP (CPU, 2010). In light of this aspect, we can conclude that the sample is representative of the population.

In addition, Panagopoulos et al., (2011) argued that a lot of international selling also occurs in SMEs, and in many countries, SMEs are far more important than multinational companies (e.g. Guenzi et al., 2011). This is definitely the case with the countries that we examined. At the same time we still do not know much about the characteristics of the sales in SMEs. Bearing in mind the structure of the sample we here see the possibility to advance knowledge in the aforementioned area.

In addition, most of our respondents in both countries are working in the retail trade and in financial services as illustrated in Figure 11. Unfortunately, secondary data on the national structure of sector distribution are not available, so we were not able to draw a conclusion on the representativeness of our sample in terms of sector distribution.

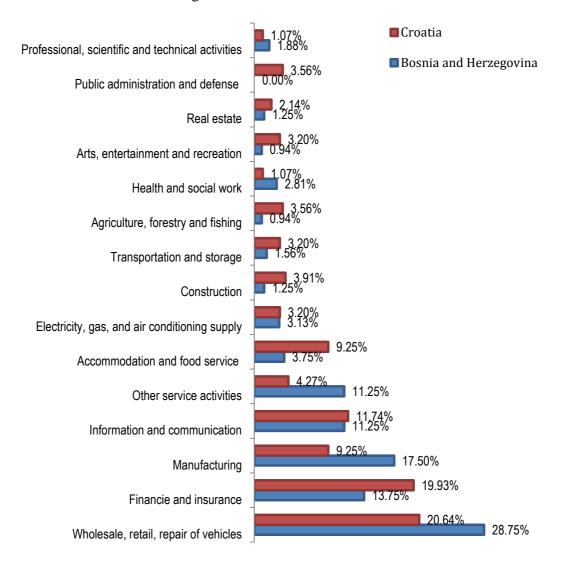


Figure 11. Sector Distribution

Taking into account the percentages of SMEs in our sample, which broadly corresponds to actual percentages of SME companies in both countries, we deemed that the representativeness of the sample was appropriate. In addition we also observed descriptive statistics (please see Appendix G for BH and Appendix H for CRO descriptive statistics tables) for each item used in the survey (N, mean, standard deviation, etc.), as well as the shape of distribution for all items. We did not observe any unusual threats (i.e., which could lead to multicolinearity problems or bias data such as minimum or maximum values outside the range of the proposed scales, close values between the mean and standard deviation which do not guarantee variance in responses, etc.). Therefore, the sample is not likely to constitute a problem in this study.

## 5.2. Time Trend Extrapolation Test of Non-response Bias

Before going into further analysis, non-response bias should be assessed. Anonymity was guaranteed to all respondents, which is a tool that minimizes potential bias related to confidentiality issues according to Hair et al (2009). However, at the same time, because of their anonymity, it was not possible to identify non-respondents and contact them to ask for a reason for their non-response.

Therefore, the time trend extrapolation test suggested by Armstrong and Overton (1977) is used to examine non-response bias. The test is conducted by comparing the first and the last quartile (according to their time of response) of respondents in each country sample. Results are given in Table 35. No significant differences were identified, suggesting that non-response bias is not likely to become a problem.

Table 35. Independent Samples T-test

|                         | ]   | Bosnia aı | nd Herz                         | egovina | a   |       | (        | Croatia                  |     |                 |
|-------------------------|---|-----------|---------------------------------|---------|---|-------|----------|--------------------------|-----|-----------------|
|                         | Levene's Test<br>for Equality of<br>Variances |           | t-test for Equality of<br>Means |         | Levene's Test<br>for Equality of<br>Variances |       | t-test f | t-test for Equa<br>Means |     |                 |
|                         | F   | Sig.      | t                               | df      | Sig. (2-tailed)                               | F     | Sig.     | t                        | df  | Sig. (2-tailed) |
| Customer Orientation    | 0.873   | 0.351     | 0.23                            | 284     | 0.818   | 1.245 | 0.266    | -0.921                   | 243 | 0.358           |
| Selling Orientation     | 0.27  | 0.604     | 0.918                           | 284     | 0.359   | 0.699 | 0.404    | 0.815                    | 243 | 0.416           |
| Adaptive Selling        | 0.178   | 0.673     | 0.663                           | 284     | 0.508   | 0.583 | 0.446    | -1.89                    | 243 | 0.6             |
| Outcome Performance     | 3.289   | 0.071     | -2.879                          | 284     | 0.004   | 1.475 | 0.226    | -1.849                   | 243 | 0.066           |
| Behavioural Performance | 0.543   | 0.462     | 0.173                           | 284     | 0.863   | 0.449 | 0.503    | -2.598                   | 243 | 0.1             |
| Emotional Intelligence  | 1.594   | 0.208     | 1.072                           | 284     | 0.285   | 0.306 | 0.581    | -1.117                   | 243 | 0.265           |
| Moral Equity            | 1.256   | 0.263     | -0.354                          | 284     | 0.723   | 0.005 | 0.946    | -2.556                   | 243 | 0.011           |
| Relativism              | 0.014   | 0.905     | -0.264                          | 284     | 0.792   | 0.002 | 0.999    | -1.369                   | 243 | 0.172           |
| Contractualism          | 0.565   | 0.453     | -0.373                          | 284     | 0.709   | 4.808 | 0.029    | -1.733                   | 243 | 0.084           |

Note: Equal variances assumed

### **5.3. Exploratory Factor Analysis**

Several analyses were conducted to test the data following a two-step approach proposed by Anderson and Gerbing (1988). The essence of the two-step approach to theory testing and development is the distinction between exploratory and confirmatory analysis. Consequently, the two-step approach considers that one should first separately estimate a measurement model, and then secondly test the relationship between latent variables through the structural model. The analysis of the measurement model is examined through exploratory factor analysis (EFA) and confirmatory factor analysis (CFA).

EFA is used with the aim of understanding the data from a traditional (non-confirmatory) perspective. In addition, we wanted to gain insights into the structure of individual factors through EFA analysis. EFA results are accompanied with the CFA assessment of dimensionality, convergent validity, reliability, and discriminant validity, which are explained in Chapter 5.4.

We used the principal axis factoring extraction method, which is a data reduction technique usually employed in cases where there is already a predetermined factor structure subsumed in the proposed theoretical framework (Hair et al., 2010). An additional decision relating to EFA concerned the rotation method to be used. Field (2005) suggests usage of oblique rotations (e.g., Direct Oblimin) in situations in which theory suggests that factors might correlate. Given that our literature review (please see Chapter 3) offered theoretical insights that our latent variables are mutually interrelated, or in statistical language correlated, Direct Oblimin rotation is used. EFA analysis is conducted using the statistical program SPSS 20.

Generally speaking, when analysing data, a well-established and recommended procedure is to use two samples, a calibration and a validation sample (Diamantopoulos & Siguaw, 2000). Taking advantage of a relatively large total sample size, we used this strategy in the present study. The first dataset obtained was collected in Bosnia and Herzegovina (N=286) and is used as the calibration sample. The dataset obtained from Croatian respondents (N=245) is used as the validation sample for model cross-validation. Therefore, the chronology of data collection was the criterion for the decision as to which sample would be the calibration sample and which the validation sample. Thus, the exploratory and confirmatory phases are continually reported for both samples independently, with the main aim of providing transparency in data reporting.

Given the sample size (N=286 and N=245), number of factors (13) and number of items (40), independent subset EFA analyses were conducted within the sample of each country. Therefore, in each country two EFA subsets of factors are used. It should be noted that this study also employs subset analysis in CFA. However, considering that EFA and CFA impose different demands on sample size and given the objectives of EFA and CFA analysis, fewer subsets (2) are used in EFA relative to CFA procedures (Hair et al. 2006) which use three subsets (as presented in Table 36).

Table 36. Subsets Used in EFA and CFA

|              | EFA subset   |                               | CFA subset   |
|--------------|--|-------------------------------|--|
| Subset       | Content  | Subset                        | Content  |
| Subset I     | Selling Orientation (SO), Customer<br>Orientation (CO), Adaptive Selling<br>(AD)<br>Outcome Performance (PERFO),<br>Emotional Intelligence (AEI)<br>dimensions | Subset<br>I                   | Selling Orientation (SO), Customer Orientation (CO), Adaptive Selling (AD), Outcome Performance (OP), Behavioural Performance (PERFB)  |
| Subset<br>II | Dimensions of Moral Judgment (MJUD): Moral Equity (EQUI), Contractualism (CONTR) and Relativisim (REL), Behavioural Performance (PERFB).                       | Subset<br>II<br>Subset<br>III | Dimensions of Moral Judgment (MJUD): Moral Equity (EQUI), Contractualism (CONTR) and Relativisim (REL), Dimensions of Emotional intelligence (AEI): Managing Others' Emotions (OTH), Managing Own Emotions (OWN), Perception of Emotion (PERC), Utilization of Emotion (UTI) |

The decision concerning which variables were to be placed in which subset was led by the logic that conceptually similar variables should be analysed together in a same subset. However, given that entering a more complex subset (than those used in EFA) into a single CFA could result in a poor model fit or even a non-converged solution (because of the huge number of parameters that should be estimated) we break factors into three subsets in CFA. This practice is also observed in contemporary marketing research (e.g., Boso, 2011). Therefore, two subsets are used in EFA while three subsets are used in CFA, as given in Table 36.

It is important to note that we follow the approach used in Harris et al. (2005), and we did not reverse-code the SO construct.

Table 37 provides EFA results for both samples with regard to Subset I. It is evident that the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is above the accepted level of 0.5. This value (0.829 for BH sample and 0.821 for CRO sample) suggests good sampling adequacy. In addition, the Bartlett test of sphericity is significant (significant at 0.000 for all variables), showing that the correlation matrix has significant correlations. A five-factor solution is consistently found in both samples. In analysing the results of loadings, the criterion suggested by Hair at al. (2010) was taken into account, which suggests that items with minimal factor loadings of 0.4 should be retained for further investigation. Accordingly, item AD5 should be removed from further analysis due its poor factor loading (-0.313 in the Bosnian sample and -0.327 in the Croatian sample). This item (I try to understand how one customer differs from another.) has already proven to be problematic in our protocols and debriefings stages. All other items were subject to measurement analysis through CFA.

Table 37. EFA Results, Subset I (Bosnia and Herzegovina and Croatia)

| Name of the   | T.         | Fact      | or Loa    | dings (I | Bosnian sa                                     | mple) | Fact                     | 653<br>599<br>682<br>586<br>792<br>.636<br>.509<br>.738<br>.713<br>.749<br>604<br>799<br>848<br>892<br>327<br>661<br>762<br>590 |      |       |      |  |  |
|---|------------|-----------|-----------|----------|--|-------|--------------------------|---|------|-------|------|--|--|
| Factor  | Items      | CO        | SO        | AD       | PERFO  | AEI   | CO                       | SO  | AD   | PERFO | AEI  |  |  |
|   | CO1        | .580      |           |          |  |       | 653                      |   |      |       |      |  |  |
| CO  | CO2        | .646      |           |          |  |       | 599                      |   |      |       |      |  |  |
| Customer  | CO3        | .645      |           |          |  |       | 682                      |   |      |       |      |  |  |
| Orientation   | CO4        | .594      |           |          |  |       | 586                      |   |      |       |      |  |  |
|   | CO5        | .854      |           |          |  |       | 792                      |   |      |       |      |  |  |
|   | SO1        |           | .600      |          |  |       |                          | .636  |      |       |      |  |  |
| SO  | SO2        |           | .706      |          |  |       |                          | .509  |      |       |      |  |  |
| Selling   | SO3        |           | .776      |          |  |       |                          | .738  |      |       |      |  |  |
| Orientation   | SO4        |           | .688      |          |  |       |                          | .713  |      |       |      |  |  |
|   | SO5        |           | .719      |          |  |       |                          | .749  |      |       |      |  |  |
|   | AD1        |           |           | 598      |  |       |                          |   | 604  |       |      |  |  |
| AD  | AD2        |           |           | 754      |  |       |                          |   | 799  |       |      |  |  |
| Adaptive  | AD3        |           |           | 823      |  |       |                          |   | 848  |       |      |  |  |
| Selling   | AD4        |           |           | 798      |  |       |                          |   |      |       |      |  |  |
|   | AD5        |           |           | 313      |  |       |                          |   | 327  |       |      |  |  |
| PERFO   | OP1        |           |           |          | 699  |       |                          |   |      |       |      |  |  |
| Outcome   | OP2        |           |           |          | 756  |       |                          |   |      |       |      |  |  |
| Performance   | OP3        |           |           |          | 567  |       |                          |   |      |       |      |  |  |
| 1 error mance   | OP4        |           |           |          | 672  |       |                          |   |      | 599   |      |  |  |
|   | AEI13      |           |           |          |  | .651  |                          |   |      |       | .674 |  |  |
|   | AEI24      |           |           |          |  | .549  |                          |   |      |       | .560 |  |  |
|   | AEI30      |           |           |          |  | .652  |                          |   |      |       | .684 |  |  |
| EI  | AEI28      |           |           |          |  | .532  |                          |   |      |       | .573 |  |  |
| <b>Emotional</b>  | AEI31      |           |           |          |  | .685  |                          |   |      |       | .746 |  |  |
| Intelligence  | AEI29      |           |           |          |  | .622  |                          |   |      |       | .591 |  |  |
|   | AEI32      |           |           |          |  | .560  |                          |   |      |       | .568 |  |  |
|   | AEI17      |           |           |          |  | .429  |                          |   |      |       | .560 |  |  |
|   | AEI20      |           |           |          |  | .535  |                          |   |      |       | .509 |  |  |
| Mean  |            | 7.86      | 6.13      | 5.78     | 5.58   | 5.55  | 7.65                     | 4.37  | 5.67 | 5.35  | 5.4  |  |  |
| St. deviation   |            | 1.00      | 1.49      | 0.96     | 0.94   | 0.74  | 1.26 1.84 0.99 0.98 0.82 |   |      |       |      |  |  |
| KMO: 0.829  |            |           |           |          |  |       | KMO: 0.821               |   |      |       |      |  |  |
| Bartlett's Test of  | of Spheric | city: 378 | 3 (sig. 0 |          | Bartlett's Test of Sphericity: 378 (sig. 0.00) |       |                          |   |      |       |      |  |  |
| Note: Deinsignal Assis Francisco Detection Mothed Chilingia with Voice Namediantian |            |           |           |          |  |       |                          |   |      |       |      |  |  |

Note: Principal Axis Factoring. Rotation Method: Oblimin with Kaiser Normalization.

In implementation of the subset strategy in EFA, Subset II (in both countries) contained items aimed to measure three dimensions of moral judgment construct (EQUI, REL, CONTR) and Behavioural performance (PERFB). Results given in Table 38 suggest that a four-factor solution is consistently found in both samples. Again, the criterion of minimal factor loadings of 0.4 is applied in Table 38. Indeed, from Table 38 it is evident that the KMO measure is above the accepted level of 0.5, while the Bartlett test of sphericity is significant. In addition, all items have factors loadings well above 0.4, which is satisfactory for this purpose. Therefore, all items used in Subset II are forwarded for CFA assessment.

Table 38. EFA Results, Subset II (Bosnia and Herzegovina and Croatia)

|                      | _          | Fa       | ctor Loa  |           | Bosnian    | Factor         | Loadin | gs (Croatian | sample) |  |  |
|----------------------|------------|----------|-----------|-----------|------------|----------------|--------|--------------|---------|--|--|
| Name of the Factor   | Items      |          | Sa        | (mple     |            |                |        |              |         |  |  |
|                      |            | EQU.     | I REL     | CONTI     | RA PERFB   | EQUI           | REL    | CONTRA       | PERFB   |  |  |
|                      | S3_1       | .692     |           |           |            | .792           |        |              |         |  |  |
| EQUI                 | S3_2       | .693     |           |           |            | .727           |        |              |         |  |  |
| <b>Moral Equity</b>  | S3_4       | .944     |           |           |            | .804           |        |              |         |  |  |
|                      | S3_6       | .615     |           |           |            | .760           |        |              |         |  |  |
| REL                  | S3_3       |          | 856       |           |            |                | .792   |              |         |  |  |
| Relativism           | S3_5       |          | 663       |           |            |                | .727   |              |         |  |  |
| CONTRA               | S3_7       |          |           | .861      |            |                |        | .939         |         |  |  |
| Contractualism       | S3_8       |          |           | .931      |            |                |        | .931         |         |  |  |
| PERFB                | BP1        |          |           |           | .724       |                |        |              | .757    |  |  |
| Behavioural Performa | anc BP2    |          |           |           | .565       |                |        |              | .519    |  |  |
| Mean                 |            | 5.243    | 6.155     | 4.315     | 4.360      | 5.17           | 5.905  | 4.250        | 4.425   |  |  |
| St. Deviation        |            | 1.61     | 0.865     | 2.083     | 0.968      | 1.487          | 0.973  | 1.950        | 0.973   |  |  |
|                      | KMO: 0.    | O: 0.839 |           |           |            |                | 0.813  |              |         |  |  |
|                      | Bartlett's | Test o   | f Spheric | ity: 45 ( | sig. 0.00) | 45 (sig. 0.00) |        |              |         |  |  |

Note: Principal Axis Factoring. Rotation Method: Oblimin with Kaiser Normalization.

# **5.4.** Confirmatory Factor Analysis

Theory driven, Confirmatory Factor Analysis (CFA), using the LISREL 8.71 program, is conducted in order to validate the findings of the EFA. In addition, we wanted to examine the reliability and validity of the constructs used in our conceptual model. Therefore, CFA models were examined with the aim of providing a final empirical validation that all items and scales used in the study are sufficiently valid.

After reviewing the literature dealing with different estimation methods offered through LISREL (e.g., GLS, ULS, WLS, ADF...) against the objectives of this research and the characteristics of data collected, we decided upon the estimation method that is employed. Maximum likelihood (ML), a widely used estimation method and a default estimation method in LISREL, is used. The reason for this decision is that ML is a full information technique, which is reliable in producing efficient and robust estimations against moderate violations of the normality assumption (Diamantopoulos & Siguaw, 2000). In addition, ML estimation is accompanied by a collection of statistics that could be used to assess competing models. Hair et al. (2010) argue that in cases when the objective of analysis is to test a proposed theoretical framework, as is the case in this research, one should use a covariance matrix for input. In addition to that, Baumgartner and Homburg (1996) also argued in a favour of usage of covariance matrices (opposite to usage of correlation matrix) as an input in all future analyses. The LISREL programme, used for testing our model, is also known as a covariance-based structural equation modeling technique; so it seems reasonable to use a covariance matrix for input in this study. In addition, means are also provided together with the covariance matrix as an input to the programme.

We estimated that entering 40 indicators into a single CFA could result in a poor model fit or even a non-converged solution (because of the huge number of parameters that would be estimated). In order to resolve these issues, and following the objectives of our research and contemporary practice in similar studies (e.g., Boso, 2011) the scales are analysed

through three subsets. Therefore, in each country three CFA subsets are used, which have already been explained in Table 37. Thus, all constructs used in the study were subject to examination of unidimensionality, reliability and validity of the measurement model through CFA. Prior to measurement model assessment, the concepts of unidimensionality, reliability and validity are explained in the sections that follow.

### **5.4.1.** Assessment of Unidimensionality

Achieving and proving unidimensionality of the measures is one of the crucial steps in conducting social science studies (J. C. Anderson & Gerbing, 1988; Cadogan & Lee, 2013; MacKenzie & Podsakoff, 2012; Rigdon, 2013), regardless of whether the study is conducted with the aim of theory testing or theory development. Unidimensionality confirms that all indicators presenting a particular construct or factor have only one underlying common trait.

Kumar and Dillon (1987) suggested that in order to assess unidimensionality, one should observe construct model fit, which provides the necessary and sufficient information to determine whether a set of items are unidimensional or not. Therefore, if LISREL shows a bad fit of the model, re-specification is necessary (Steenkamp & Van Trijp, 1991) in order to achieve unidimensionality of the construct.

However, one should treat unidimensionality differently in instances where one uses reflective variables to those instances where formative variables are used. In the case of the reflective variables, constructs need to be unidimensional, where individual items can be removed to improve construct validity without affecting content validity (Petter, Straub, & Rai, 2007). The situation is somewhat different with formative variables. Formative variables are an extreme example of multidimensional constructs that often employ different themes. Consequently, by dropping one of the items out of the formative construct we would affect the meaning of the construct (Diamantopoulos et al., 2008) since the construct is defined by these measures. Therefore, unidimensionality cannot be achieved with formative variables.

#### 5.4.2. Assessment of a Model's Fit

In order to assess dimensionality and validity (validity is also discussed in Section 5.4.4.) of a model, one should observe goodness of fit. The most commonly used index for assessment of the overall goodness of fit is the chi-square test ( $\chi$ 2). It measures the discrepancy between a hypothesized model and data by testing "the null hypothesis that an estimated variance-covariance matrix deviates from the sample variance-covariance matrix only because of sampling error" (Baumgartner & Homburg, 1996, p. 149). Assessing a model's fit is unlike traditional statistical methods, since it relies on non-significance. Therefore, significant values of the chi-square test suggest a strong divergence between the data and the model, implying rejection of the model. Even though it is one of the most commonly used measures, conclusions on model fit based solely on chi-square test are very often ignored since it is known that the chi-square test is influenced by sample size (Shah & Goldstein, 2006). Therefore, scholars often examine the ratio of chi-square to

degrees of freedom ( $\chi$ 2/d.f.), since this ratio corrects the  $\chi$ 2 measure for model size. Values between 1 and 3 are desired, since values smaller than 1 indicate an over-fitted model, while higher values (>3.0) indicate an under-parameterized model (Schumacker & Lomax, 2010).

In order to balance the disadvantages of chi-square statistics, several alternative fit indices have been developed. Fit indices are commonly classified into three general groups: absolute, incremental and parsimony fit measures (Bollen & Lennox, 1991). Generally speaking, absolute fit indices indicate the degree to which the hypothesized model reproduces the sample data, incremental fit indices measure the proportional improvement in fit when the hypothesized model is compared with a baseline, constrained or unconstrained model (Iacobucci, 2010), while parsimony fit indices tell which model among a set of competing models is the best considering its fit relative to its complexity (Sivo, Fan, Witta, & Willse, 2006). We continue with an explanation of the each group of indices.

**Absolute measures of fit** - Besides the basic measure of absolute fit (chi-square test), often employed measures are Root Mean Square Error of Approximation (RMSEA), (standardized) Root Mean Square Residual (RMR or SRMR), Goodness-of-Fit Index (GFI) and Adjusted Goodness of Fit (AGFI). GFI and AGFI increase as goodness of fit increases and are bounded above by 1.00, while RMSEA and RMR decrease as goodness of fit increases and are bounded below by zero (exact cut-off values are presented in Table 39). SRMR and RMSEA reflect the residual differences between the input and implied matrices, indicating how well implied covariance matrices are predicted by the tested model (Hu & Bentler, 1999).

Table 39. Fit Indices Used in Present Study

| Index       | Type                          | Description  | Cut-off  |
|-------------|-------------------------------|--|--|
| χ2          |                               | Examine discrepancy between hypothesized model and data;<br>Since chi-square test is sensitive to sample size, it is becoming  | p>.05  |
| $\chi 2/df$ |                               | more trustworthy if the degrees of freedom are taken into account  | 2 to 1 or 3 to 1   |
| RMSEA       | Absolute<br>measure of<br>fit | Shows how well the model fits the population, attempts to correct $\chi 2$ tendency to reject models with large sample   | <.01: excellent fit;<br><.05: good fit<br><.08: mediocre fit |
| SRMR        |                               | Comparison of fit across of the models.  | <.06: good fit   |
| GFI         |                               | Comparison of the squared residuals from prediction with the actual data, not adjusted for the degrees of freedom.   | >.90   |
| AGFI        |                               | GFI adjusted for the degrees of freedom in the model.  | >.90   |
| NNFI        | Incremental                   | Shows how much better the model fits, compared to a baseline model, normally the null model, adjusted for the degrees of freedom (can take values greater than one). | >.90   |
| CFI         | fit measure                   | Shows how much better the model fits, compared to a baseline model, normally the null model, adjusted for the degrees of freedom.                                    | >.95   |
| AIC         | Parsimony                     | Comparative measure, meaningful only when two different models are estimated. Lower values indicate a better fit.  | Lowest AIC is the best fitting model                         |
| PNFI        | fit index                     | Comparison of the models   |  |

Source: Adapted from Diamantopoulos, A., & Siguaw, J. A. Introducing LISREL: A Guide for the Uninitiated, 2000, p.83-89

Incremental fit measures compare the tested model to a null model, and to an ideal model that perfectly represents the modelled phenomena in the particular population. The most commonly used incremental fit measures, which are also employed in this study are: Normed fit Index (NFI), Non-normed Fit Index (NNFI) or Tucker–Lewis Index TLI), Comparative Fit Index (CFI). Exact cut-off values are presented in Table 39, but in general it could be noted that incremental fit indices increase as goodness of fit increases and are bounded above by 1.00 (Baumgartner & Homburg, 1996).

Parsimony fit measures are intended to provide information about "which model among a set of competing models is the best one, considering its relative complexity" (Hair et al., 2010, p. 669). In general, these indices favour more parsimonious models over more complex ones. Therefore, the more complex the model is, the lower the fit index is. Parsimony Normed Fit Index (PNFI) is the most widely accepted parsimony index. In addition to it, Akaike's Information Criterion (AIC) and the Expected Cross-validation Index (ECVI) are also in use (Hu & Bentler, 1999).

Still, there are on-going debates about whether or not parsimony fit measures are appropriate for the assessment of the models. Given the complexity of the conceptual model to be tested in the present study and large number of relationships included, we believe it is important to compare competing models based on parsimony, aiming to select the most parsimonious solution. Therefore, in this study we use AIC and PNFI.

In the literature, there has been considerable debate about the superiority and appropriateness of one index over another, and so far no consensus on the appropriate index for assessing overall goodness-of-fit of a model has been reached (Ping, 2004). In addition to this, so far no definitive fit indices for fit assessment have been developed. Therefore, based on the extensive literature review that was briefly summarized above, we have decided to report multiple incremental, absolute and parsimony measures, in accordance with the cut-off criteria given in Table 39.

It should be noted that the optimal cut-off values presented in Table 39 should not be taken for granted since those could vary considerably depending on sample size. Cut-off values for some indices (e.g., GFI, AGFI, CFI, NNFI, NFI) predictably increased with sample size, whereas they decreased for SRMR, and RMSEA (Sivo et al., 2006).

### **5.4.3.** Assessment of Reliability

After unidimensionality has been examined, the next step in CFA is to observe the reliability of each construct. Reliability is an "assessment of the degree of consistency between multiple measurements of a variable" (Hair et al., 2010, p. 125). The underlying idea of reliability is that all items or indicators used in one scale should be highly intercorrelated, meaning that they indeed are measuring the same thing. The traditional measure of internal consistency and reliability of constructs is Cronbach's (1951) Alpha. In contemporary research practice, it has become common to interpret a Cronbach's Alpha value of 0.7 -0.8 as acceptable. However, lately, some arguments have been raised that this should not be taken as a rule.

For example, Kline (2000) claims that for measuring psychological constructs values below 0.7 could be expected because of the diversity of the constructs being measured. Hair et al. (2009) also state that the cut-off value could be decreased to 0.6, especially in exploratory studies. In addition, it is widely known that Cronbach's Alpha value increases as the number of measures increases (MacKenzie, Podsakoff, & Podsakoff, 2011), suggesting that the opposite could also happen (Cronbach's Alpha value decreases as the number of measures decreases).

Besides Cronbach's Alpha, Fornell and Larcker (1981) offered additional measures of reliability, Construct Reliability (CR) and Average Variance Extracted (AVE), which are derived from CFA results. CR is conceived on the ratio of the variance accounted for by the latent construct to the total variance in the measures.

AVE is calculated as the mean variance extracted for the items loading on a construct. In calculating CR and AVE, completely standardized solutions of indicator loadings and error variances should be used in the formula presented in Equation 1 and Equation 2.

Equation 1. Formula for Calculating Composite Reliability (CR)<sup>17</sup>

$$CR = \frac{(\sum_{i=1}^{n} L_i)^2}{(\sum_{i=1}^{n} L_i)^2 + (\sum_{i=1}^{n} e_i)}$$

Equation 2. Formula for Calculating Average Variance Extracted (AVE)

$$AVE = \frac{\sum_{i=1}^{n} L_i^2}{n}$$

To indicate reliable measure, CR should be greater than 0.6 (Bagozzi & Yi, 1988) or 0.7. (Steenkamp & Van Trijp, 1991), while the AVE value has to be above the 0.5 threshold (Fornell & Larcker, 1981). Therefore, in order to assess the reliability of the constructs as Martínez-López, Gázquez-Abad, and Sousa (2013) suggest, we will systematically discuss the following issues: the interpretation of the Cronbach's Alpha (cut-off  $\geq$  0.6), together with the CR (cut-off  $\geq$  0.6); and an analysis of the indicators' loadings for every construct (cut-off > 0.5) (Fornell and Larcker, 1981).

*n* - total number of items

-

 $<sup>^{17}</sup>$   $\Sigma$  - the mathematical symbol for sum

*i* - number of items

 $L_i$  - standardized factor loading

 $e_i$  - error variance for a factor

### **5.4.4.** Assessment of Validity

After assessing reliability, a complete diagnosis of the validity of constructs should follow. Construct validity is the degree to which a construct achieves empirical and theoretical meaning (Bagozzi, 1980; Peter, 1981), and therefore accurately represents the concept of interest. Validity is also assessed through the assessment of model fit that was discussed in Section 5.4.2., but it could also be assessed based on the semantic meanings (i.e., content or face validity) of the construct. However, content or face validity is insufficient for establishing construct validity and reliability. Hence, the commonly accepted forms for establishing construct validity are those that involve empirical observations, named convergent, discriminant and nomological validity. These different forms of the validity are discussed below.

Content or face validity is a subjective and systematic evaluation of a scale's items' ability or appropriateness for measuring the phenomena of interest (Malhotra, 2011). The scale's content validity usually considers an evaluation of the items' representativeness of the construct's domain based on the personal judgment of the researcher and experts in the field. Therefore, in this study, content validity was assessed in Chapter 4.3., as well as through protocol and debriefing sessions (explained in Section 4.5.1) in which measurement instruments were the subject of analysis by sales professionals and experts in the field of psychology and psychotherapy. Therefore, content validity will not be discussed in the chapters that follow, since it has already been established.

Convergent validity suggests that "items of a specific construct should converge or share a high proportion of variance in common" (Hair et al., 2010, p. 709). It is assessed by calculating the AVE using the formula given in Equation 1, by averaging the squared completely standardized factor loadings ( $\lambda^2$ ) for the indicators, or by averaging the squared multiple correlations for the indicators. As already stated, the suggested threshold for AVE is 0.50 (Fornell & Larcker, 1981) which proves that the latent construct accounts for the majority of the variance in its indicators on average (Martínez-López, Gázquez-Abad, & Sousa, 2013).

"The degree to which a construct is truly distinct from other constructs" (Hair et al., 2010, p. 710) is known as **discriminant validity**. Therefore, high discriminant validity proves that a latent variable is distinct and uniquely captures a phenomenon that other constructs do not. According to the literature, there are different forms of discriminant validity assessment (i.e., paired constructs, correlations between measures to be less than Cronbach's Alpha coefficients, 95% confidence intervals usage for correlation, etc.).

However, in accordance with the existing literature, the discriminant validity of all constructs will be established by comparing the AVE for each construct with the square of the correlation estimates between each pair of constructs as suggested by Hair et al. (2006). Rule of thumb will be followed, which states that in order to achieve discriminant validity, the value of AVE estimates should be greater than the squared correlation estimates (J. C. Anderson & Gerbing, 1988; Fornell & Larcker, 1981). The logic behind this test is that the

latent variable should explain more of the variance with its item measures than the variance that it shares with another construct.

**Nomological validity** tells us whether theory-driven predictions have been confirmed by the study conducted. It is assessed by testing the relationships with other constructs in a nomological network, usually with correlation or regression analysis (Steenkamp & Van Trijp, 1991). Therefore it can be argued that the criterion and nomological validity for the constructs could be evaluated based on association between variables of interest. The proposed conceptual model in Figure 9 demonstrates that theoretical evidence points to the existence of association between the studied constructs. Therefore, nomological validity is already pre-established in this doctoral dissertation, and it will not be discussed further.

# 5.5. CFA Model - Subset I: Salesperson Orientation, Adaptive Selling and Performance

It has already been mentioned that this study employs a two-step approach (J. C. Anderson & Gerbing, 1988). Therefore, measurement model assessment that started with EFA continues with CFA described below. In the first step, confirmatory factor models of the reflective first order constructs (Customer Orientation, Selling Orientation, Adaptive Selling, Behavioural Performance and Outcome Performance) are examined simultaneously. In the second step, a higher order reflective-formative construct (Emotional Intelligence) is tested independently, followed by a multidimensional reflective construct (Moral Judgment).

During EFA, we proposed the removal of item AD5, while all other items forming Customer Orientation (5 items, CO1-CO5), Selling Orientation (5 items, SO1-SO5), Adaptive Selling (4 items, AD1-AD4), Outcome Performance (4 items OP1-OP4) and Behavioural Performance (2 items, BP1 and BP2) should be introduced into the CFA model. However, in the first step we left AD5 together with all other variables as presented in Figure 12.

We observed results looking for standardized residuals with an absolute value greater than 3 (Jöreskog & Sörbom, 1993) which are usually alarming as potential threats to unidimensionality. Therefore, we took into account that large residuals related to specified items in CFA are indicators of a model's inability to adequately explain the relationships in the model (Hair et al., 2010).

In addition, we were looking for modification indices above 5 that also may be another sign of potential threats to unidimensionality (J. C. Anderson & Gerbing, 1988). Inspection of the modification indices showed that three items (AD5, CO1 and SO2) had values larger than 5.

Standardized residuals for these items were above the critical limit, suggesting that they should be removed from the final model. Having deleted problematic items, the CFA measurement model was re-specified and then re-estimated, leaving us the model presented in Figure 12 (without items noted in the red box).

 $\delta 1$ CO1\* CO2  $\delta 2$ CO Customer CO<sub>3</sub> δ3 Orientation CO4 δ4 CO5 δ5 δ6 SO1\* SO2 δ7 SO SO3 δ8 Selling Orientation SO4 δ9 SO5  $\delta 10$ AD1  $\delta 11$ δ12 AD2 AD Adaptive Selling δ13 AD3  $\delta 14$ AD4  $\delta 15$ AD5\* PERFB  $\delta 16$ BP1 Behavioural Performance δ17 BP2  $\delta 18$ OP1 **PERFO** δ19 OP2 Outcome Performance OP3 δ20 OP4  $\delta 21$ 

Figure 12. CFA Model, Subset I: Initial and Re-estimated Model<sup>18</sup>

\*Note: Items removed through the re-estimation CFA due to the poor high values of standardized residuals

The re-specified model converged in both countries, offering a solution with a acceptably good model fit in terms of absolute and incremental fit indices. Fit indices, all above the recommended thresholds, are reported in Table 40, suggesting no problems with unidimensionality.

<sup>18</sup> The correlations between latent variables are normally represented by Φ\*. For example, in this case, the correlation between latent variables Customer orientation and Selling Orientation is represented by Φ21. Due to lack of space these relations are omitted.

Table 40. Fit Indices of the Final and Re-estimated CFA Model, Subset I

|            | $\chi^2$ | df      | $\chi^2$ /df | RMSEA | NNFI  | IFI   | CFI   | SRMR  |
|------------|----------|---------|--------------|-------|-------|-------|-------|-------|
| Sample BOS | 143.969  | 125.000 | 1.152        | 0.023 | 0.989 | 0.991 | 0.991 | 0.047 |
| Sample CRO | 168.369  | 125.000 | 1.347        | 0.038 | 0.977 | 0.982 | 0.982 | 0.058 |

After re-specifying the model, all factor loadings, in both samples, were significant, as seen (with their respective t-values) in Table 41 for the Bosnian sample and Table 42 for the Croatian sample. From these tables it is evident that each item loaded on its respective factor at a significance level of 0.05 or better.

Table 41. CFA Model Results, Subset I (Bosnia and Herzegovina)

| Factor                         | Items | St.<br>loadings | T-value | CR    | AVE   | Alpha | Mean         | SD    |
|--------------------------------|-------|-----------------|---------|-------|-------|-------|--------------|-------|
|                                | CO2   | 0.703           | 11.140  |       |       |       |              |       |
| CO                             | CO3   | 0.624           | 9.930   | 0.809 | 0.516 | 0.798 | 7.908        | 1.012 |
| <b>Customer Orientation</b>    | CO4   | 0.713           | 11.280  | 0.809 | 0.510 | 0.798 | 7.908        | 1.012 |
|                                | CO5   | 0.820           | Fixed   |       |       |       |              |       |
|                                | SO1   | 0.637           | 9.790   |       |       |       |              |       |
| SO                             | SO3   | 0.797           | 11.530  | 0.798 | 0.500 | 0.786 | 3.603        | 1.806 |
| Selling Orientation            | SO4   | 0.605           | 9.300   | 0.798 | 0.500 | 0.780 | 3.003        | 1.800 |
|                                | SO5   | 0.771           | Fixed   |       |       |       |              |       |
|                                | AD1   | 0.616           | 9.200   |       |       |       |              |       |
| AD                             | AD2   | 0.711           | 10.360  | 0.004 | 0.500 | 0.709 | 5.675        | 1 005 |
| Adaptive Selling               | AD3   | 0.775           | 10.920  | 0.804 | 0.508 | 0.798 | 3.073        | 1.095 |
|                                | AD4   | 0.735           | Fixed   |       |       |       |              |       |
|                                | OP1   | 0.673           | 8.300   |       |       |       |              |       |
| PERFO                          | OP2   | 0.729           | 8.650   | 0.553 | 0.450 | 0.760 | <i>5 575</i> | 0.044 |
| <b>Outcome Performance</b>     | OP3   | 0.609           | Fixed   | 0.772 | 0.459 | 0.769 | 5.575        | 0.944 |
|                                | OP4   | 0.694           | 8.450   |       |       |       |              |       |
| PERFB                          | BP1   | 0.595           | 4.640   | 0.502 | 0.414 | 0.601 | 4.260        | 0.065 |
| <b>Behavioural Performance</b> | BP2   | 0.678           | Fixed   | 0.583 | 0.414 | 0.601 | 4.360        | 0.965 |

In addition to assessment of fit and dimensionality of the scales, reliability and validity were examined. From Table 41 and Table 42 it is evident that almost all scales in both samples obtained a CR value above the critical value of 0.60 (Bagozzi & Yi, 1988). In the BH sample, the CR value for PERFB was 0.583, while in the CRO sample, it was 0.572. Since the CR values are relatively close to the 0.6 threshold, acceptance of the construct with low reliability is advised.

Additionally, AVE for three (CO, SO, AD) out of five scales (CO, SO, AD, PERFO, PERFB) was above the critical value of 0.50 (Fornell & Larcker, 1981). AVE values for the remaining two scales (PERFO and PERFB) were larger than 0.4 but below the critical limit of 0.5. Therefore, we acknowledged those constructs as problematic spots in our model. However, bearing in mind language barriers and the fact that this is the first time such a study was conducted in the present cultural context, AVE values for PERFO and PERFB are accepted since more than 40% of variance in manifest variables is still represented by the underlying construct. Therefore, convergent validity for those two latent variables is considered very low but acceptable for this study.

Table 42. CFA Model Results, Subset I (Croatia)

| To all a                       | Items | St.      | T-     | CR    | AVE   | Alpha | Mean  | SD    |
|--------------------------------|-------|----------|--------|-------|-------|-------|-------|-------|
| Factor                         |       | loadings | value  |       |       |       |       |       |
|                                | CO2   | 0.595    | 9.440  |       |       |       |       |       |
| CO                             | CO3   | 0.646    | 10.430 | 0.815 | 0.531 | 0.804 | 7.678 | 1.254 |
| <b>Customer Orientation</b>    | CO4   | 0.740    | 12.110 | 0.015 | 0.551 | 0.804 | 7.078 | 1.234 |
|                                | CO5   | 0.897    | Fixed  |       |       |       |       |       |
|                                | SO1   | 0.731    | 10.740 |       |       |       |       |       |
| SO                             | SO3   | 0.734    | 10.780 | 0.816 | 0.528 | 0.816 | 4.083 | 1.926 |
| Selling Orientation            | SO4   | 0.624    | 9.210  | 0.010 | 0.340 | 0.610 | 4.063 | 1.920 |
|                                | SO5   | 0.807    | Fixed  |       |       |       |       |       |
|                                | AD1   | 0.623    | 10.400 |       |       |       |       |       |
| AD                             | AD2   | 0.800    | 14.600 | 0.869 | 0.628 | 0.862 | 5.618 | 1.083 |
| Adaptive Selling               | AD3   | 0.868    | Fixed  | 0.007 | 0.020 | 0.802 | 3.016 | 1.065 |
|                                | AD4   | 0.854    | 15.810 |       |       |       |       |       |
|                                | OP1   | 0.692    | 8.330  |       |       |       |       |       |
| PERFO                          | OP2   | 0.716    | 8.520  | 0.768 | 0.453 | 0.768 | 5.350 | 0.978 |
| <b>Outcome Performance</b>     | OP3   | 0.635    | Fixed  | 0.700 | 0.455 | 0.708 | 3.330 | 0.976 |
|                                | OP4   | 0.647    | 7.960  |       |       |       |       |       |
| PERFB                          | BP1   | 0.633    | 7.610  | 0.572 | 0.401 | 0.603 | 4.425 | 0.973 |
| <b>Behavioural Performance</b> | BP2   | 0.633    | Fixed  | 0.372 | 0.401 | 0.003 | 4.423 | 0.973 |

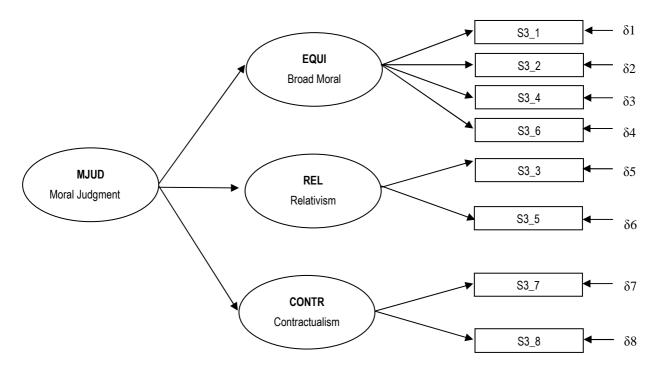
Furthermore, validity can be assessed with the inter-correlations of latent constructs (MacKenzie, Podsakoff & Podsakoff, 2011). Low to moderate inter-correlation is considered evidence of discriminant validity. In addition, inter-correlation between latent variables is compared with AVE value, proving that the AVE value is larger in every single case. Correlation coefficients for latent construct and respective AVE values are reported in Table 50 (for Bosnia) and in Table 51 (for Croatia) in Section 5.8. Based on this analysis, we conclude that discriminant validity is achieved.

#### 5.6. CFA Model - Subset II: Moral Judgment

After testing the reliability and validity of the CFA model Subset I, we proceed with Subset II. The moral judgment construct is operationalized in the literature as a reflective multidimensional construct (McMahon & Harvey, 2007; Schwepker & Good, 2011). Therefore, it has been traditionally tested as a multidimensional higher order reflective construct, containing three dimensions: Broad Moral Equity (EQUI), Relativism (REL) and Contractualism (CONTRA) as conceptualized in Section 1.5, operationalized in Section 4.3.1 and presented in Figure 13.

The decision whether to model a certain measurement instrument as a first or second-order construct depends on theory (Hair et al., 2010), in which two streams can be identified. One stream of theoretical background relevant for this construct is the philosophical approach to moral judgment (as explained in Section 1.5). The other stream is the theory that deals with the philosophy of research methods and modeling applicative to business studies. We empirically tested the propositions of both streams.

Figure 13. CFA Model, Subset II: Moral Judgment as Higher Order Reflective Construct



In order to test the dimensionality of the construct that follows the traditional philosophical approach to moral judgment, a second-order CFA was conducted on the BOS sample. The second-order CFA was performed using three lower-order dimensions that consisted of items used in EFA. The model fit for the results is summarized in Table 43. The second order CFA model yielded poor absolute measures of fit (i.e.  $\chi^2$ /df, RMSEA and SRMR). Therefore, residual differences between the input and implied matrices indicate that the tested second-order confirmatory model poorly predicts implied covariance matrices.

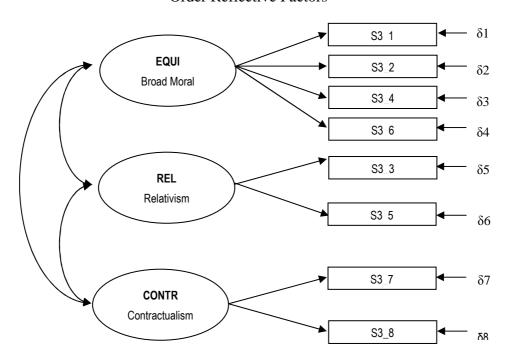
Table 43. Fit Indices of Second-Order CFA Model, Subset II (Bosnia and Herzegovina)

| Model | χ2    | df | χ2/df | P-value | RMSEA | NNFI  | GFI   | SRMR   | AIC    | PNFI  | CFI   |
|-------|-------|----|-------|---------|-------|-------|-------|--------|--------|-------|-------|
| BOS   | 73.77 | 18 | 4.09  | 0.00    | 0.104 | 0.979 | 0.940 | 0.0927 | 109.77 | 0.628 | 0.981 |

The second stream of the theory to be tested deals with the philosophy of research methods and modeling applicative in business studies. This literature suggests a different way of resolving the issue of modeling a particular construct as first-order or second-order. Namely, recent literature (e.g., Cadogan & Lee, 2013) advocates a shift in the modeling of higher-order reflective constructs in order to meet the unidimensionality criterion. The unidimensionality criterion advocates that all measures of a construct should measure only one, and the same, entity. Since reflective measures should be conceptually interchangeable, removing any of the measures would not alter the meaning of the construct. Therefore, Lee and Cadogan (2013) argue that fulfilling the unidimensionality criterion on a higher layer of reflective second-order constructs would imply the inexistence of first-order dimensions, since they should be interchangeable. Given that EQUI, REL and CONTRA are conceptualized very differently, and are not interchangeable, second-order modeling cannot be used with MJUD. Here we could

mention the case made by Hair et al. (2009) that if there is a presumption that first-order factors would influence some other construct differently, the second-order measurement model should not be used. Having explained the conceptualization definition of EQUI, REL and CONTRA, it is expected that they will moderate the relationship between PERFB and PERFO in a different way. Therefore, we tested EQUI, REL and CONTRA as separate first-order factors, as a presented in Figure 14.

Figure 14. CFA Model, Subset II: Moral Equity, Relativism and Constructualism as First-Order Reflective Factors



The CFA model given in Figure 14 contains the same items used in EFA for measuring three factors: EQUI, REL and CONTRA. Moreover, EQUI was measured using four items (S31, S32 S34 and S36) while the factors REL and CONTRA used two items each (S33, S35 and S37, S38, respectively). A converged solution of the CFA subset model, in both samples (Table 44), returned a fit that could be seen as better compared with the solution of the second-order CFA presented in Table 43. Moreover, as can be from the comparison of values given in Tables 43 and 44,  $\chi$ 2 was significantly reduced ( $\Delta \chi$ 2 = 7.84,  $\Delta$ df =1) in the Three Factor Model (Table 44), indicating that the Three Factor Model is a better fit to the data. Fit indices (i.e. RMSEA, SRMR, GFI, NNFI, CFI) for the Three Factor Model were on the same level or better compared to corresponding values in the Second-Order Factor model. In addition, the PNFI index, which is commonly used for model comparison purposes, results in better values for the Three Factor Model. We acknowledge that for the Three Factor Model RMSEA was 0.10, which is on the limit of a poor fit, but it is compensated by a Standardized RMR value of 0.0287 suggesting an excellent fit.

Table 44. Fit indices of the CFA Three-Factor Model, Subset II

| Model | χ2     | df | χ2/df | P-<br>value | RMSEA | NNFI  | GFI   | SRMR   | AIC    | PNFI  | CFI   |
|-------|--------|----|-------|-------------|-------|-------|-------|--------|--------|-------|-------|
| BOS   | 65.931 | 17 | 3.8   | 0.00        | 0.10  | 0.973 | 0.945 | 0.0287 | 103.93 | 0.593 | 0.984 |

Given recent suggestions (e.g. Cadogan & Lee, 2013; Lee & Cadogan, 2013) brought by scholars in the field of the philosophy of research methods and modeling applicative to business studies that go hand in hand with our findings that a Three-Factor Model is a better fit for the data than a Second order factor model, we decided to use the model presented in Figure 14 for further assessment.

Further to the results presented in Table 45 and Table 46, all parameter estimates were statistically significant at a level of 0.05 or better. Furthermore, all three scales achieved acceptable levels of CR and AVE. Therefore, EQUI, REL and CONTRA exercised convergent validity and unidimensionality. Consequently, those constructs are appropriate for hypotheses testing.

Table 45. CFA Model Results, Subset II (Bosnia and Herzegovina)

| Factor         | Items | St<br>loadings | T-value | CR    | AVE   | Alpha | Mean  | SD    |
|----------------|-------|----------------|---------|-------|-------|-------|-------|-------|
|                | S31   | 0.875          | Fixed   |       |       |       |       |       |
| EQUI           | S32   | 0.872          | 19.585  | 0.000 | 0.601 | 0.907 | 5 242 | 1 (12 |
| Moral Equity   | S34   | 0.826          | 17.856  | 0.899 | 0.691 | 0.897 | 5.243 | 1.613 |
|                | S36   | 0.745          | 15.075  |       |       |       |       |       |
| REL            | S33   | 0.817          | 15.547  | 0.040 | 0.536 | 0.047 | 4.260 | 1.026 |
| Relativism     | S35   | 0.897          | Fixed   | 0.848 | 0.736 | 0.847 | 4.360 | 1.836 |
| CONTRA         | S37   | 0.854          | 14.380  | 0.803 | 0.807 | 0.803 | 1 215 | 2.083 |
| Contractualism | S38   | 0.941          | Fixed   | 0.893 | 0.807 | 0.893 | 4.315 | 2.083 |

Table 46. CFA model results, Subset II (Croatia)

| Factor              | Items | St.<br>loadings | T-<br>value | CR    | AVE   | Alpha | Mean  | St.<br>Deviation |
|---------------------|-------|-----------------|-------------|-------|-------|-------|-------|------------------|
|                     | S31   | 0.925           | Fixed       |       |       |       |       | _                |
| EQUI                | S32   | 0.898           | 22.202      | 0.010 | 0.717 | 0.909 | 5.173 | 1.487            |
| <b>Moral Equity</b> | S34   | 0.805           | 17.445      | 0.910 | 0.717 | 0.505 | 3.173 | 1.467            |
| • •                 | S36   | 0.748           | 15.150      |       |       |       |       |                  |
| REL                 | S33   | 0.856           | 14.379      | 0.051 | 0.740 | 0.940 | 1 125 | 1.710            |
| Relativism          | S35   | 0.865           | Fixed       | 0.851 | 0.740 | 0.849 | 4.425 | 1.710            |
| CONTRA              | S37   | 0.948           | 15.265      | 0.941 | 0.899 | 0.942 | 4.250 | 1.950            |
| Contractualism      | S38   | 0.938           | Fixed       |       |       |       |       |                  |

In addition, the correlation coefficient for all latent constructs, including these three, and the respective AVE values are reported in Table 50 for the Bosnian sample and in Table 51 for the Croatian sample (please see Section 6.8.). In accordance with the results presented in the abovementioned tables, EQUI, REL and CONTR achieved discriminant validity (as discussed in Section 6.8), which could be seen by comparing inter-correlations between EQUI, REL with the respective AVE values. In all cases the AVE value is larger, meaning that discriminant validity is achieved.

## 5.7. CFA Model - Subset III: Emotional Intelligence

The last subset in the CFA analysis contained items measuring a higher-order formative index of emotional intelligence (EI). The items of four dimensions forming EI were specified as indicators of the respective latent construct and subsequently analysed in the CFA measurement model (see Figure 15). Based on the theoretical background presented in Section 1.6, the relationship between the items and the first-order latent variables given in Figure 15 are considered reflective, while the relationship between first order factors and second order factors is considered formative.

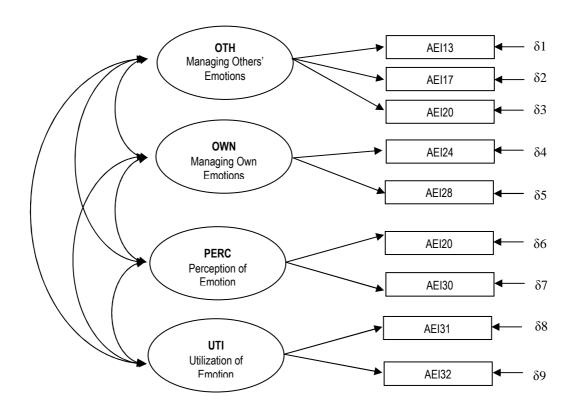


Figure 15. CFA Model, Subset III: Emotional Intelligence

The CFA first-order model converged in both datasets, returning an acceptable level of fit reported in Table 47 (BH) and Table 48 (CRO). Specifically, RMSEA was less than 0.08, while SRMR was less than 0.5 in both samples. In addition, NNFI, IFI, CFI and GFI were all greater than the 0.95 cut-off value.

Table 47. CFA Model Results, Subset III (Bosnia and Herzegovina)

| Factors                       | Items | St.<br>loadings | T-value | CR    | AVE   | Alpha | Mean  | SD    |
|-------------------------------|-------|-----------------|---------|-------|-------|-------|-------|-------|
| ОТН                           | AEI13 | 0.713           | Fixed   |       |       |       |       |       |
| Managing Others'              | AEI17 | 0.712           | 9.523   | 0.736 | 0.482 | 0.732 | 5.570 | 0.917 |
| <b>Emotions</b>               | AEI20 | 0.657           | 9.036   |       |       |       |       |       |
| OWN                           | AEI24 | 0.583           | 7.832   | 0.638 | 0.473 | 0.611 | 5 720 | 0.000 |
| <b>Managing Own Emotions</b>  | AEI28 | 0.779           | Fixed   | 0.038 | 0.473 | 0.011 | 5.730 | 0.908 |
| PERC                          | AEI29 | 0.793           | Fixed   | 0.720 | 0.505 | 0.725 | 4.065 | 1.125 |
| Perception of Emotion         | AEI30 | 0.735           | 9.120   | 0.738 | 0.585 | 0.735 | 4.965 | 1.125 |
| UTI                           | AEI31 | 0.641           | 6.993   | 0.601 | 0.510 | 0.674 | 5 705 | 1.110 |
| <b>Utilization of Emotion</b> | AEI32 | 0.792           | Fixed   | 0.681 | 0.519 | 0.674 | 5.795 | 1.110 |

Fit indices:  $\chi$ 2 = 47.973; df = 21; *p-value* = 0.0007; RMSEA = 0.068; NNFI = 0.959; IFI = 0.976; CFI = 0.976; GFI = 0.964, SRMR=0.0423

In addition, all the parameter estimates were statistically significant at a level of 0.05 or better. Furthermore, all latent variables in both samples achieved an acceptable level of CR. All scales in the CRO sample obtained an AVE value above the 0.5 threshold, while the two scales in the BH sample had an AVE value close to the 0.5 threshold (0.482, 0.473). For the sake of this research, we accept weak validity for those constructs acknowledging that conclusions will be limited to some extant due to the low AVE values. Nevertheless, statistical evidence suggests that the emotional intelligence subscales achieved unidimensionality and convergent validity (for two subscales in the BH sample, it is poor but still could be appropriate). Therefore, the four scales are seen as suitable for further testing.

Table 48. CFA model results, Subset III (Croatia)

| Factors                       | Items | St       | T-value | CR    | AVE   | Alpha | Mean  | SD    |
|-------------------------------|-------|----------|---------|-------|-------|-------|-------|-------|
|                               |       | loadings |         |       |       |       |       |       |
| ОТН                           | AEI13 | 0.737    | 10.210  |       |       |       |       |       |
| Managing Others'              | AEI17 | 0.657    | 9.22    | 0.756 | 0.509 | 0.761 | 5.843 | 0.958 |
| Emotions                      | AEI20 | 0.743    | Fixed   |       |       |       |       |       |
| OWN                           | AEI24 | 0.608    | 8.356   | 0.666 | 0.504 | 0.640 | 5.520 | 1.055 |
| Managing Own Emotions         | AEI28 | 0.799    | Fixed   | 0.666 | 0.504 | 0.649 | 5.530 | 1.055 |
| PERC                          | AEI29 | 0.738    | Fixed   | 0.707 | 0.545 | 0.707 | 4.025 | 1.120 |
| <b>Perception of Emotion</b>  | AEI30 | 0.741    | 9.061   | 0.707 | 0.547 | 0.707 | 4.835 | 1.138 |
| UTI                           | AEI31 | 0.7      | 8.202   | 0.662 | 0.500 | 0.662 | £ 105 | 1.000 |
| <b>Utilization of Emotion</b> | AEI32 | 0.706    | Fixed   | 0.662 | 0.500 | 0.662 | 5.195 | 1.080 |

Fit indices:  $\chi$ 2 = 42.889; df = 21; p-value = 0.0032; RMSEA = 0.065; NNFI = 0.970; IFI = 0.983; CFI = 0.983; GFI = 0.962, SRMR=0.0408

Based on co-citation analysis and inspection of the network obtained through mapping (explained and reported in Section 1.7) we believed that the most appropriate EI conceptualization stream is the one proposed by Mayer et al. (1990) and redefined by Mayer et al. (1997). They conceptualize EI through four distinct aspects (Managing Others' Emotions, Managing Own Emotions, Perception of Emotion, Utilization of Emotion) but at the same time highly correlated dimensions. This is also confirmed by our study results (as given in Table 49). Therefore we specify EI as a formative index.

Table 49. EI Dimensions Correlation Matrix

|                                 | ОТН           | OWN           | PERC          | UTI |
|---------------------------------|---------------|---------------|---------------|-----|
| Managing Others' Emotions (OTH) | 1             |               |               |     |
| Managing Own Emotions (OWN)     | 0.643 (0.870) | 1             |               |     |
| Perception of Emotion (PERC)    | 0.691 (0.572) | 0.584 (0.668) | 1             |     |
| Utilization of Emotion (UTI)    | 0.424 (0.643) | 0.698 (0.588) | 0.366 (0.796) | 1   |

Notes: The results for CRO appear in parentheses.

The procedure proposed by Diamantopoulos et al. (2008) was followed to obtain a single score for EI. Single scores for the four dimensions (OTH, OWN, PERC, UTI) were created by averaging across their respective scale items that have been chosen to represent the abovementioned factors. Afterwards, the average across the four factors was calculated to obtain the AEI score.

The reliability of EI, treated as a formative construct, is not assessed. This is in accordance with Bollen and Lennox's (1991) suggestion that traditional notions of internal consistency and reliability are not applicable to formative indicators.

### 5.8. Discriminant Validity of the Constructs

As mentioned in the previous sections, discriminant validity was assessed for all constructs together, with the aim of proving that each construct is distinct, capturing a phenomenon that other constructs do not (Fornell & Larcker, 1981). In Table 50 and Table 51, correlation coefficients for both samples are reported below the diagonal. In addition, the squared correlations (or shared variances) between the constructs are reported above the diagonal. AVE values are reported on the diagonal and bolded.

Table 50. Correlation Matrix and Discriminant Validity (Bosnia and Herzegovina)

|                         | CO     | SO     | AD     | PERFO  | PERFB  | EI    | <b>EQUI</b> | REL   | CONTR |
|-------------------------|--------|--------|--------|--------|--------|-------|-------------|-------|-------|
| Customer Orientation    | 0.516  | 0.084  | 0.010  | 0.023  | 0.007  | 0.028 | 0.013       | 0.023 | 0.006 |
| Selling Orientation     | -0.290 | 0.500  | 0.018  | 0.001  | 0.001  | 0.000 | 0.088       | 0.089 | 0.037 |
| Adaptive Selling        | 0.099  | 0.133  | 0.508  | 0.036  | 0.010  | 0.053 | 0.000       | 0.003 | 0.009 |
| Outcome Performance     | 0.150  | -0.036 | 0.190  | 0.459  | 0.129  | 0.018 | 0.001       | 0.002 | 0.000 |
| Behavioural Performance | 0.083  | 0.035  | 0.098  | 0.359  | 0.414  | 0.026 | 0.003       | 0.006 | 0.010 |
| Emotional Intelligence  | 0.166  | 0.001  | 0.231  | 0.135  | 0.16   | N/a   | 0.003       | 0.003 | 0.002 |
| Moral Equity            | 0.114  | -0.296 | 0.018  | -0.031 | -0.059 | 0.052 | 0.691       | 0.493 | 0.278 |
| Relativism              | 0.151  | -0.298 | -0.059 | -0.041 | -0.076 | 0.059 | 0.702       | 0.736 | 0.244 |
| Contractualism          | 0.076  | -0.192 | -0.096 | -0.004 | -0.098 | 0.045 | 0.527       | 0.494 | 0.807 |

First, as can be seen in Table 50 and Table 51, none of the 95% confidence intervals of the individual elements of the latent factor correlation matrix contained a value of 1.0 (see Anderson and Gerbing, 1988). The largest inter-construct correlations were between Relativism and Moral Equity (r = 0.702 in the Bosnian sample and r=0.708 for the Croatian sample). However, these results are not surprising since in some studies both constructs measured the same underlying construct of moral judgment. If we bear in mind the conceptual definitions of these constructs (given in Chapter 1.5), it can be argued that these constructs share a lot in common. This issue was also acknowledged by scales authors (Reidenbach & Robin, 1990) who explained that overlapping between the

relativism and moral equity dimension could be explained by the fact that ethics learned in childhood (moral equity) is also a product of the ethics of one's culture and tradition (relativism). The high correlation between these two dimensions is also observed in the study run by Schepers (2003). When discussing all other constructs, their inter-construct correlations were not significant above 0.70 (Ping, 2004).

Table 51. Correlation Matrix and Discriminant Validity (Croatia)

|                         | CO     | SO     | AD     | PERFO | PERFB | EI     | EQUI  | REL   | CONTR |
|-------------------------|--------|--------|--------|-------|-------|--------|-------|-------|-------|
| Customer Orientation    | 0.531  | 0.087  | 0.032  | 0.091 | 0.138 | 0.098  | 0.044 | 0.018 | 0.023 |
| Selling Orientation     | -0.295 | 0.528  | 0.001  | 0.002 | 0.020 | 0.004  | 0.042 | 0.019 | 0.031 |
| Adaptive Selling        | 0.180  | 0.036  | 0.628  | 0.068 | 0.053 | 0.040  | 0.007 | 0.015 | 0.002 |
| Outcome Performance     | 0.301  | 0.046  | 0.261  | 0.453 | 0.348 | 0.051  | 0.037 | 0.015 | 0.002 |
| Behavioural Performance | 0.371  | -0.142 | 0.230  | 0.590 | 0.401 | 0.050  | 0.038 | 0.006 | 0.003 |
| Emotional Intelligence  | 0.313  | -0.065 | 0.201  | 0.226 | 0.223 | N/a    | 0.007 | 0.007 | 0.000 |
| Moral Equity            | 0.209  | -0.205 | 0.086  | 0.192 | 0.194 | 0.086  | 0.717 | 0.502 | 0.207 |
| Relativism              | 0.134  | -0.137 | 0.124  | 0.122 | 0.078 | 0.085  | 0.708 | 0.740 | 0.088 |
| Contractualism          | 0.151  | -0.176 | -0.041 | 0.041 | 0.057 | -0.009 | 0.455 | 0.296 | 0.889 |

To statistically address the previously mentioned high inter-correlation and to further demonstrate discriminant validity, the AVE for each construct was compared with the square of the correlation coefficients (i.e., the shared variances) between each pair of constructs (Hair et al., 2010). Since the AVE value was greater than the squared correlation estimate for each pair of construct (see Table 50 and Table 51), discriminant validity is achieved. Therefore, all constructs are ready for further analysis.

## 5.9. Common Method Bias Test

Prior to the data collection process, several steps were taken in order to diminish potential Common Method Bias (CMB). Respondents were instructed that there are no good or bad answers; only their personal opinion was requested. In addition, the questionnaire design followed the recommendations of Malhotra et al. (2011) for reducing CMB. However, before going into further SEM analysis, we took several tests for CMB, namely: Harman's single factor test and the Marker variable test. Those tests are especially important since our study relies on single individuals.

First, the widely used technique (Podsakoff et al., 2003) of Harman's single factor test in CFA was applied. In order to do so, a full measurement model was estimated using all items and variables left in the model. The results are given in Table 52. Next, Harman's single factor test was conducted, forcing all items to load on a single factor. Harman's single factor test offered a poor model fit for the Bosnian sample and the Croatian sample as given in Table 52.

Table 52. CFA Full Measurement Model Vs. Harman's One Factor Model

|                             | χ2       | $\Delta \chi^2$ df | ∆ <b>df</b> | χ2/df | RMSEA | NNFI  | IFI   | CFI   | SRMR  |
|-----------------------------|----------|--------------------|-------------|-------|-------|-------|-------|-------|-------|
| Full CFA model*             | 507.738  | 369                |             | 1.376 | 0.036 | 0.970 | 0.975 | 0.974 | 0.046 |
| Harman's one factor model*  | 3128.750 | 2621.01 405        | 36          | 7.725 | 0.154 | 0.610 | 0.639 | 0.637 | 0.143 |
| Full CFA model**            | 582.574  | 369                |             | 1.579 | 0.049 | 0.959 | 0.965 | 0.965 | 0.052 |
| Harman's one factor model** | 3738.909 | 3156.34 405        | 36          | 9.232 | 0.184 | 0.559 | 0.592 | 0.590 | 0.166 |

Notes: \* Bosnian sample, \*\* Croatian sample

In addition, EFA forcing one factor extraction was conducted. Variance explained by one factor was less than 50% in both samples (15% in the BH sample and 19% in the CRO sample) as given in the tables in Appendices 5.5. and 5.6. These findings suggest that it is not likely that our samples have problems with CMB.

In addition, Lindell and Whitney's (2001) Marker variable test of common method variance was also conducted. As they suggest, data were collected (in both samples) for an item (i.e., *It is useful to feel "hostility" when interacting with an angry supervisor*) that is conceptually totally different from constructs used in the model. Next, the correlation between that item and all other constructs used in the model was estimated, resulting in low and non-significant correlation ranging from -0.1 to 0.1 (given in Table 53). Therefore, neither sample probably contains a common method variance problem.

Table 53. Marker Variable Test

|            | CO   | SO    | AD    | PERFO  | PERFB  | EI     | EQUI  | REL   | CONTRA |
|------------|------|-------|-------|--------|--------|--------|-------|-------|--------|
| BH sample  | -0.1 | 0.038 | 0.003 | -0.108 | -0.099 | -0.053 | 0.07  | 0.032 | 0.021  |
| CRO sample | 0.01 | 0.085 | 0.068 | -0.035 | 0.02   | 0.075  | 0.015 | 0.026 | -0.088 |

#### 5.10. Measurement Invariance

Cross-national research studies usually compare groups assuming that the instruments (i.e., questionnaires) used in the research measure the same underlying constructs for all groups. The aim of such studies is to answer the question of whether the model developed in one particular country could be transferred and applied in another country. In order to achieve transferability of the model, scholars should not assume the transferability of the instrument by default, but rather should test the instrument for measurement invariance (or equivalence). Assessment of measurement invariance allows for meaningful comparisons across countries and makes it possible to establish generalizability (Baumgartner & Steenkamp, 1998). The test of measurement invariance has recently become a common procedure in cross-border and international research (e.g. Homburg et al., 1999; Obadia & Vida, 2011). However, to the best of our knowledge there is little coverage of the issue in the sales specific context. In order to address this previously mentioned gap, and in accordance with the objectives of our study we tested our data for measurement invariance.

Steenkamp and Baumgartner (1998) identified different levels of invariance: configural, metric, scalar, factor variance, and error variance. They claimed that a lower level of invariance (e.g., configural invariance) is required for obtaining higher-level invariance

(e.g., metric). Therefore, configural invariance is a prerequisite for metric invariance investigation, which is needed for the assessment of scalar invariance, and further for error variance invariance. It should be noted that one model could achieve full (unlikely in practice) or partial measurement invariance (i.e., if some but not all of the parameters are invariant across groups). In the text that follows different types of measurement invariance are briefly explained.

Configural invariance is satisfied if the basic model structure is invariant across the groups (Milfont & Fischer, 2010). Having satisfied configural invariance means that respondents from different samples conceptualize a construct in the same way (Steenkamp & Baumgartner, 1998). Goodness-of-fit should be indicative of a well-fitting model, which is configurally invariant (Byrne, 2008). Having achieved configural invariance, one should conduct a stronger test of the invariance named metric invariance. Metric invariance tests are a different group of the tests that examines did respondents understand the items in the same way (Steenkamp & Baumgartner, 1998). It implies that all factor loadings should be the same across different samples. Scalar invariance is the next step, which is achieved when loadings and intercepts are equal, implying that the meaning of the construct (the factor loadings) and the levels of the underlying items (intercepts) are equal in all groups (Milfont & Fischer, 2010). It addresses the question of whether there is a consistency between cross-national differences in latent means and cross-national differences in observed means (Steenkamp and Baumgartner, 1998, p. 80). Finally, error variance invariance tests the same level of measurement error that should be present for all items between the groups. However, this type of the invariance could be difficult to achieve in most of the cases (Chen, Sousa, & West, 2005).

It is important to note that different forms of invariance are needed for the different goals of the study (Steenkamp & Baumgartner, 1998). Since the goal of this study is to examine structural relationships, full or partial metric invariance has to be satisfied, implying that prior configural invariance should be achieved. For measurement invariance assessment we used the multi-group confirmatory analysis (MGCFA) procedure in LISREL 8.71 recommended by Steenkamp and Baumgartner (1998). We conducted MGCFA assessment of measurement invariance through nested models organized in hierarchical order, with a decreasing number of parameters constrained one at the time. Therefore, every new model is nested in the previous model, thus making measurement invariance more restrictive (Milfont & Fischer, 2010). Results are reported in Table 55. MGCFA was performed on the same three subsets used for measurement model assessment in CFA (please see Section 6.4.). Constructs of each subset were explained in Table 36 (Section 6.4.).

In order to assess measurement invariance, Steenkamp and Baumgartner (1998) suggested usage of the chi-square difference test. However, special care is needed with the chi-square test since "it is dependent on the sample size: it rejects reasonable models if the sample is large and it fails to reject poor models if the sample is rather small" (van de Schoot, Lugtig, & Hox, 2012, p. 2). Therefore, we also used additional, alternative fit indices. Namely, we used comparative indices that evaluate the fit of the model under consideration against the fit of the baseline model (i.e., CFI, NNFI). Fit is considered adequate if the CFI and NNFI values are above 0.90, and better if they are above 0.95 (Hu & Bentler, 1999). In

addition, we used absolute fit indices that examine closeness of fit, (i.e., RMSEA and SRMR), with a cut-off value of 0.08. We also reported on the Consistent Akaike Information Criterion (CAIC) used to compare competing models and make a trade-off between models fit and model complexity.

Usually, before comparing two samples (groups), one should make sure that the hypothetical structure of the model provides good fit for both samples. Through measurement model analyses (using CFA) that were discussed in previous chapters, we have already proved a good model fit for both samples in all three subsets. We offer a summary of the fit in Table 54.

**RMSEA NNFI CFI SRMR** χ2 df  $\gamma 2/df$ 143.969 125 1.152 0.023 0.989 0.991 0.047 Sample 1 – Bosnia Subset I Sample 2 - Croatia 168.369 125 1.347 0.038 0.977 0.982 0.058 Sample 1 - Bosnia 3.8 65.931 0.00 0.910 0.973 0.984 **Subset II** Sample 2 - Croatia 0.00 0.909 0.963 44.825 17 2.2 0.951 Sample 1 - Bosnia 47.973 21 2.28 0.068 0.959 0.976 0.0423 Subset III Sample 2 - Croatia 42.889 21 2.04 0.065 0.970 0.983; 0.0408

Table 54. Summary of CFA Fit indices

The next step was to move to MGCFA. The results of the measurement invariance assessment are given in Table 55. In Table 55 we present results through the assessment of five models for each subset, where Model 1 tests configural invariance, Model 2 metric invariance, Model 3 scalar invariance, Model 4 error variance invariance, and Model 5 tests factor covariance invariance.

Since models across all subsets and samples proved excellent model fit, we expected to support configural invariance tested through all subsets. We assessed configural invariance without imposing any multi-group constrains. Therefore, structural relationships are specified in both samples, which imply that the model is equal across samples. This also means that factor loadings are estimated for the CRO sample independently of the BH samples. The fit indices reported in Table 55 indicate an excellent level of Model 1 fit for all three subsets (e.g.,  $\chi 2/df < 3$ ; NNFI > 0.95; CFI > 0.95;). Further, both measures of SRMR and RMSEA were equal or below the accepted level of 0.08 in all samples. Therefore, configural invariance is achieved, indicating equality of the factorial structure through samples.

Since configural invariance was supported, we tested our data for metric invariance (Model 2). In order to examine metric invariance, we ran the same model where only the factor loadings were constrained to be equal across groups, while intercepts were allowed to differ between groups. From Table 55, it is obvious that all fit indices for Model 2 in all subsets (NNFI, CFI, SRMR and RMSEA) indicate the acceptance of metric invariance. In addition, we ran a chi-square difference test by comparing Model 1 (Configural invariance) to Model 2 (Metric invariance) in all three subsets. The  $\chi 2$  test revealed insignificant results (at 0.05 probability value) indicating that full metric invariance is also accepted for all multi-group structural models.

In the next step, we tested data for scalar invariance (Model 3) by running MGCFA with constrained factor loadings and intercepts. Again, the investigated indices reached the level needed for their acceptance (e.g.,  $\chi 2/df < 3$ ; NNFI > 0.94; CFI > 0.95). Again, we ran a chi-square difference test by comparing Model 1 (Configural invariance) to Model 3 (Scalar invariance). The  $\chi 2$  test revealed insignificant results (at the 0.05 probability value) for Subset II and Subset III, indicating that full metric invariance is accepted. However, this time we got significant results for Subset I, suggesting that the models are not invariant. This could imply that the loadings and intercepts are not equal, suggesting that the meaning of the constructs are not equal in both samples. Nevertheless, further regarding the limitations of the  $\chi 2$  statistic, we observed the measures NNFI and CFI, which considerably exceeded the suggested value of 0.95. Therefore, scalar invariance could be accepted only partially for Subset I.

In addition, we also tested error variance invariance (Model 4) by contrasting all error variances through all groups, and factor covariance invariance by constraining the covariance of the latent variables to be the same across groups. Again, a chi-square test was conducted, resulting with significant results. Not all the fit indices exceeded the suggested threshold for their acceptance. Mostly, this was recognized in testing the concept of factor covariance invariance (Model 5). Therefore, error variance invariance and factor covariance invariance were not achieved. In compliance with the suggestion that in the interest of keeping the model parsimonious, minimizing capitalization on chance, and maximizing cross-validity, only those re-specifications that offer substantial improvement in model fit should be introduced (MacCallum, Browne, & Sugawara, 1996),we tried model re-specification. Indeed, efforts to improve the model's fit by relaxing the invariance constraints on the factor loadings and/or error variances were not able to substantially improve the model fit (above .001 change in NNFI).

Taking together the measurement invariance assessment results and objectives of our study, we comfortably achieved our goal by showing that configural, metric, and partly scalar invariance exists across the Bosnian and Croatian samples. Therefore, the items are equally reliable across the Bosnian and Croatian samples, and measures can be used for hypotheses testing.

Table 55. Measurement Invariance Assessment

| Subset     | Model                                 | χ2     | df  | χ2/df | RMSEA | NNFI  | CFI   | CAIC     | SRMR  | Δ χ2   | ∆df | p-value | Comparison                          | Decision |
|------------|---------------------------------------|--------|-----|-------|-------|-------|-------|----------|-------|--------|-----|---------|-------------------------------------|----------|
| Subset I   | Model 1:Configural invariance         | 343.05 | 260 | 1.319 | 0.035 | 0.979 | 0.982 | 941.351  | 0.083 | -      | -   | -       | -                                   | Accepted |
| (CO, SO,   | Model 2: Metric invariance            | 360.96 | 273 | 1.322 | 0.036 | 0.979 | 0.981 | 868.500  | 0.085 | 17.913 | 13  | 0.1609  | Metric versus configural            | Accepted |
| AD, OP,    | Model 3: Scalar invariance            | 415.84 | 286 | 1.454 | 0.041 | 0.972 | 0.974 | 1085.116 | 0.084 | 72.791 | 26  | 0.0000  | Scalar versus configural            | Accepted |
| BP)        | Model 4: Error Variance Invariance    | 500.41 | 304 | 1.646 | 0.049 | 0.959 | 0.959 | 1038.738 | 0.089 | 157.36 | 44  | 0.0000  | Error variance versus configural    |          |
|            | Model 5: Factor covariance Invariance | 513.42 | 309 | 1.662 | 0.500 | 0.957 | 0.957 | 1015.381 | 0.096 | 170.37 | 49  | 0.0000  | Factor covariance versus configural |          |
| Subset II  | Model 1:Configural invariance         | 176.48 | 37  | 4.770 | 0.119 | 0.961 | 0.974 | 431.096  | 0.079 | -      | -   | -       | -                                   | Accepted |
| (EQUI,     | Model 2: Metric invariance            | 182.17 | 42  | 4.337 | 0.112 | 0.966 | 0.974 | 400.411  | 0.082 | 5.689  | 5   | 0.3377  | Metric versus configural            | Accepted |
| REL,       | Model 3: Scalar invariance            | 188.01 | 47  | 4.000 | 0.107 | 0.969 | 0.974 | 486.278  | 0.082 | 11.531 | 10  | 0.3177  | Scalar versus configural            | Accepted |
| CONTR)     | Model 4: Error Variance Invariance    | 235.38 | 55  | 4.280 | 0.110 | 0.963 | 0.963 | 475.449  | 0.085 | 58.90  | 18  | 0.0000  | Error variance versus configural    |          |
|            | Model 5: Factor covariance Invariance | 236.92 | 58  | 4.085 | 0.108 | 0.965 | 0.963 | 455.162  | 0.087 | 60.44  | 21  | 0.0000  | Factor covariance versus configural |          |
| Subset III | Model 1:Configural invariance         | 138.60 | 49  | 2.829 | 0.083 | 0.945 | 0.963 | 436.862  | 0.069 | -      | -   | -       | -                                   | Accepted |
| (OTH,      | Model 2: Metric invariance            | 141.64 | 54  | 2.623 | 0.078 | 0.951 | 0.963 | 403.532  | 0.083 | 3.040  | 5   | 0.6938  | Metric versus configural            | Accepted |
| OWN,       | Model 3: Scalar invariance            | 149.78 | 59  | 2.539 | 0.084 | 0.941 | 0.952 | 526.241  | 0.084 | 11.180 | 10  | 0.3437  | Scalar versus configural            | Accepted |
| PERC,      | Model 4: Error Variance Invariance    | 182.07 | 67  | 2.717 | 0.081 | 0.947 | 0.950 | 480.335  | 0.085 | 43.47  | 18  | 0.0007  | Error variance versus configural    | -        |
| UTII)      | Model 5: Factor covariance Invariance | 189.52 | 71  | 2.669 | 0.079 | 0.948 | 0.949 | 458.683  | 0.090 | 50.92  | 22  | 0.0004  | Factor covariance versus configural |          |

#### 6. STRUCTURAL MODEL ANALYSIS

The purpose of this chapter is to describe the structural equation modeling techniques used to test the study's hypotheses, and to report and discuss the results of the hypotheses tests. Accordingly, the chapter is divided into nine sections. First, trends in marketing research analysis are explored. Second, we explain the major assumptions of the structural equation modeling testing technique. Third, we explain the usage of calibration and validation samples through five phases of structural equation modeling assessment. This section is followed by a presentation and discussion of the results obtained through each of the five phases of structural equation modeling assessment, where each section presents one phase (i.e. baseline model, curvilinear relationships, mediating model, moderating model, crossvalidation model). While discussing the hypotheses, the implications are also briefly summarized and discussed. Finally, we offer additional insights into moderating effects.

## 6.1. Usage of SEM in Contemporary Research Practice and in this Study

In accordance with the research questions, goals and objectives of the study, structural equation modeling (SEM) is applied to examine the relationships proposed in the conceptual model (please see Figure 9 in section 2.1.). SEM is chosen because of its ability to examine the whole conceptual model and not only the relationships between separate variables (Schumacker & Lomax, 2010). In addition, after years of debate regarding the appropriateness and usage of SEM in marketing research, Martínez-López et al. (2013) recently expressed significant support for the role of SEM in the generation of new knowledge in marketing theory. SEM is becoming even more appropriate because contemporary research scenarios and theories are becoming progressively complex and the numbers of variables included in the models are growing, while at the same time interconnections are becoming increasingly important. Considering all of the previously stated arguments, Martínez-López et al. (2013, p. 17) were very clear in arguing that "it shouldn't be a matter of debate that SEM ought to be properly applied in order to assure a good quality and reliable process of theory development."

The goal of SEM is to combine path and factor analytic models in order to determine the extent to which the theoretical model is supported by sample data (Schumacker & Lomax, 2010). Hypotheses brought by our conceptual model are tested using the maximum likelihood estimation method implemented through the LISREL 8.71 program, and a covariance matrix as an input.

Since our conceptual model proposes many moderating relationships, we examined different methods for the inclusion of those variables in the structural model. A review of similar studies conducted in the past revealed that composites were used quite often in analyses that were obtained SEM. Hunter and Gerbing (1982, p. 271) explained a method of using composites, which "allows the researcher to find the common thread in several responses by adding or averaging them". They encouraged utilization of this method stating its appropriateness because usage of composites may lead to greater reliability. Therefore, if items pass the process of testing reliability and construct validity (through measurement model examination), the composite is a potentially more reliable and valid

estimate of the latent variable than its single components. In addition, Baumgartner and Homburg (1996) confirmed that the creation of composite (or averaged) scales is a widely used procedure in marketing, which is almost indispensable when dealing with a large number of indicators. This procedure reduces measurement error and improves the parsimony of the model (Hair et al., 2010).

Since our conceptual model proposes many moderating relationships that add complexity to the model, composites for all constructs involved in moderating interactions were created. In addition, this was done because the "use of many individual items, rather than the composite score of items, increases degrees of freedom in the measurement model and can cause problems in a model fit" (Schumacker & Lomax, 2010, p. 184). Therefore, scores of the items pertaining to each construct that resulted from the measurement model assessment were averaged to form composites. Since all constructs proved their unidimensionality, reliability and validity, this process appears to be appropriate. The composites created are used in further SEM assessment. However, before commencing with SEM hypotheses assessment, it is important to test the major SEM assumptions, as explained in the section that follows.

## 6.2. Testing Major Assumptions in SEM

Hair et al. (2009) suggest that a significant violation of SEM assumptions may harm the conclusion and findings drawn from it. These assumptions are normality, continuity, linearity, homoscedasticity and independence of observation.

In order to test the normality of the variables, Skewness and Kurtosis values of composite observed variables were examined using SPSS 20, and are reported in Table 56.

|                                | Bosnia and l | Herzegovina | Cro      | atia     |  |
|--------------------------------|--------------|-------------|----------|----------|--|
|                                | Skewness     | Kurtosis    | Skewness | Kurtosis |  |
| <b>Customer Orientation</b>    | -1.560       | 3.550       | -1.328   | 1.549    |  |
| <b>Selling Orientation</b>     | 0.610        | -0.562      | 0.317    | -0.867   |  |
| Adaptive Selling               | -1.291       | 2.065       | -0.918   | 1.082    |  |
| <b>Outcome Performance</b>     | -0.198       | -0.965      | 0.106    | -0.911   |  |
| <b>Behavioural Performance</b> | -0.974       | 0.296       | -0.676   | -0.200   |  |
| <b>Emotional Intelligence</b>  | -0.789       | 1.670       | -1.140   | 3.209    |  |
| Moral Equity                   | -0.878       | 0.036       | -0.603   | -0.250   |  |
| Relativism                     | -0.219       | -0.876      | -0.244   | -0.784   |  |
| Contractualism                 | -0.224       | -1.163      | -0.094   | -1.068   |  |

Table 56. Normality assessment

The skewness for a normal distribution is zero (Hair et al., 2010), meaning that symmetric data should have a skewness near zero. Negative values for the skewness indicate data that are skewed left and positive values for the skewness indicate that data are skewed right. In our case the largest skewness has a CO variable (-1.56 and -1.329 for Bosnia and Herzegovina and Croatia respectively), which is skewed to the left. On the other hand, normal distribution also has a kurtosis of zero. In our case, CO in the BH sample and EI in the CRO sample have the largest positive kurtosis, which indicates a "peaked" distribution. A negative kurtosis indicates a "flat" distribution. Overall, based on the results presented in

Table 56, we could argue that no large discrepancies from normal data were observed, which might suggest a potential departure from a significant furlough of normality. In addition, it should be noted that structural equation models, especially maximum likelihood estimations, are relatively robust with regard to modest departures from normal distribution (Diamantopoulos & Siguaw, 2000).

Knowing that Likert scales were used in the questionnaire, it is reasonable to assume that a continuous variable underlies each measurement scale (measurement scales are presented in Chapter 4.4.). It is reasonable to make the linearity assumption regarding variables used in this study because there is no evidence to suggest otherwise. In addition, most of the hypothesised relationships in our SEM are tested through linear relationships. The exceptions are the SO<sup>2</sup> and CO<sup>2</sup> (curvilinear quadratic that is explained in the sections that follow) variables and moderator variables, which are examined through multiplicative terms.

Our study employed the collection of primary data using questionnaires, which were sent to individual salespersons. It is very likely that each respondent answered only one questionnaire without communicating with other respondents. Therefore, the method of data collection ensured the independence of the observations.

Data analysis in SEM assumes that homoscedasiticity is achieved. Homoscedasticity implies that "dependent variables exhibit an equal level of variance across the range of predictor variables" (Hair et al., 2010, p. 74). If dispersions are unequal across values of the independent variable, the relationship is said to be heteroscedastic. In order to prove homoscedasticity, we used the Breusch-Pagan test for heteroscedasticity (Breusch & Pagan, 1979), whose H0 assumes the homoscedasticity of data. The Breusch-Pagan test yielded a value of 2.097, while the significance level of Chi-square was 0.7178. Therefore, the test showed that the sample does not contain a serious violation of homoscedasticity rules.

## **6.3. Overview of SEM Analysis**

Due to the complexity of the relationships hypothesized in the conceptual model (presented in Figure 16) SEM assessment of the relationships is conducted in five phases. The first four phases deal with the initial model assessment, while the fifth phase is about model cross-validation. Although the measurement model was tested for both samples following the establishment of measurement equivalence, the Bosnian sample (N=286) is used in the first four phases for the model calibration, while the Croatian sample (N=245) is used for model cross-validation in the fifth phase. Data was first collected in Bosnia and Herzegovina and then in Croatia; therefore, the chronology of data collection was the criterion for the decision on calibration and validation of the sample.

Initial assessment of the model is conducted in four phases, which are presented in Figure 16, followed by the fifth phase of cross-validation as given in Table 57. In Phase One, a baseline model is established (the paths in blue colour in Figure 16), examining hypotheses related to the direct main effects (H3 and H4). Therefore, the direct hypothesized

relationships between Adaptive Selling–AD and Salesperson Behavioural Performance–PERFB (H3) and between PERFB and Salesperson Outcome Performance-PERFO (H4) were tested in a formal structural model. In addition, unhypothesized linear relationships are also examined: between Selling Orientation-SO and PERFO, Customer Orientation-CO and PERFB, Emotional Intelligence-EI and PERFB. The logic backing up the examination of unhypothisized relationships through Phase One is twofold. First, those relationships were established through the literature (as mentioned in Chapter 3) and we use them for replicative purposes. Second, in order to asses models that are going to be examined through Phase Two (assessment of curvilinear effects) and Phase Three (assessment of mediating effects) we need to compare those models with a baseline model, which includes the abovementioned relationships.

Table 57. Overview of the SEM Assessment Phases and Respective Hypotheses

| Phase   | Explanation  | Hypotheses to be tested              | _   | Section in the Thesis |
|---------|--|--------------------------------------|-----|-----------------------|
| Phase 1 | Assessment of the baseline model                                     | H1, H4                               | BH  | 6.4.                  |
| Phase 2 | Assessment of curvilinear relationships nested in the baseline model | H2, H3                               | ВН  | 6.5.                  |
| Phase 3 | Assessment of mediating relationships                                | H5a, H5b, H5c                        | BH  | 6.6.                  |
| Phase 4 | Assessment of moderating relationships                               | H6a, H6b, H6c + Control<br>Variables | ВН  | 6.7.                  |
| Phase 5 | Cross validation of the model  | All together + Control Variables     | CRO | 6.8.                  |

In Phase Two (paths in purple colour on Figure 16), curvilinear relationships are nested in the baseline model, assessing the path between SO<sup>2</sup> and PERFO (H2), and the path between CO<sup>2</sup> and PERFB (H3). Curvilinear relationships are used because we expect to prove that an optimal level of CO exists (which could be supported by proving the existence of a curvilinear inverted U-shaped form). Moreover, we also want to prove that the exercise of SO on extreme levels (both highest and lowest) could have a positive influence on PERFO. This could be only supported by proving the existence of a curvilinear U-shaped form between SO and PERFO.

In Phase Three (green paths in the Figure 16) we assessed the mediating influence of relational salesperson behaviour on EI-PERFB relationships together with hypothesised paths between EI and SO (H5a), EI and CO (H5b), and EI and AD (H5c). Phase Four (red coloured paths in a Figure 16) includes an assessment of the moderating influence of all three dimensions of Moral Judgment (EQUI, REL, CONTR) on the relationship between AD and PERFB (H6a, H6b, H6c), examining it together with the simultaneous test of the baseline model effects, curvilinear effects and mediating effects. Therefore, different hypotheses were tested through different phases, as given in Table 57.

Through model assessment, a multiplicative interaction effect procedure suggested by Ping (1996a, 1996b, 2004) was followed, while special attention was given to the work of Cadogan et al. (2009), Homburg et al. (2011b), and Boso et al. (2012).

SO > Examined through the Phase One Examined through the Phase TwoExamined through the Phase Three H1 SO\*SO PERFO > Examined through the Phase Four CO H2 H5a ExprCtrl H4 **OBCtrl** CO\*CO H56 H3 AD **PERFB** H5c Н6а H6b Н6с Emotional CONTR REL **EQUI** Intelligence MJUD

Figure 16. Structural Relationships with Control Variables Included

As already explained, composites are used in SEM for all variables that were part of the interaction and curvilinear effects. For these variables, variance in the indicators, which comes from sources other than the underlying concept, was constrained by fixing the error variance value for every construct. The error variance value is computed using the equation: EV =  $[(1-\alpha) \times \delta^2]$  where  $\alpha$  is replaced with the CR value, coming from the measurement model, while the  $\delta^2$  value is the sample variance of the construct (Cadogan et al., 2009). In addition, control variables used in the model are single item measures (i.e. sales experience, and outcome based control); therefore, the path between those measures and the construct was fixed to 1. However, their error variances were fixed to (1-reliability) times the variance of the indicator (Baumgartner & Homburg, 1996). We assumed that reliability for such a construct is 0.70, which equals the CR threshold of 0.7 recommended by Steenkamp and Van Trijp, (1991), while  $\delta^2$  is calculated using real standard error data. Based on the presented procedure, the variance in the indicators that come from sources other than the underlying concept itself was effectively constrained. Table 58 exhibits composite reliability, variance, and error variance for all single indicants created within the Bosnian and Croatian sample.

Table 58. Error Variance

| Construct                         | Name         | Bos   | nia and l | Herzego    | vina  |       | Croatia             |       |
|-----------------------------------|--------------|-------|-----------|------------|-------|-------|---------------------|-------|
| Construct                         | Name         | CR    | δ         | $\delta^2$ | EV    | CR    | $\delta$ $\delta^2$ | EV    |
| Customer Orientation              | CO           | 0.809 | 0.912     | 0.832      | 0.159 | 0.815 | 1.254 1.573         | 0.291 |
| Customer Orientation Curvilinear* | $CO^2$       | 0.700 | 0.998     | 0.996      | 0.299 | 0.700 | 0.997 0.994         | 0.298 |
| Selling Orientation               | SO           | 0.798 | 1.806     | 3.262      | 0.659 | 0.816 | 1.926 3.709         | 0.683 |
| Selling Orientation Curvilinear*  | $SO^2$       | 0.700 | 0.998     | 0.996      | 0.299 | 0.700 | 0.976 0.953         | 0.286 |
| Adaptive Selling                  | AD           | 0.804 | 1.095     | 1.199      | 0.235 | 0.869 | 1.083 1.173         | 0.154 |
| Outcome Performance               | <b>PERFO</b> | 0.772 | 0.944     | 0.891      | 0.203 | 0.768 | 0.960 0.922         | 0.214 |
| Behaviour Performance             | <b>PERFB</b> | 0.583 | 0.965     | 0.931      | 0.388 | 0.572 | 0.973 0.947         | 0.405 |
| Emotional Intelligence**          | EI           | 0.700 | 0.739     | 0.546      | 0.164 | 0.700 | 0.818 0.669         | 0.201 |
| Moral Equity                      | <b>EQUI</b>  | 0.899 | 1.613     | 2.602      | 0.263 | 0.910 | 1.487 2.211         | 0.199 |
| Relativism                        | REL          | 0.848 | 1.836     | 3.371      | 0.512 | 0.851 | 1.710 2.924         | 0.436 |
| Contractualism                    | CONTR        | 0.893 | 2.083     | 4.339      | 0.464 | 0.941 | 1.950 3.803         | 0.224 |
| Outcome Based Control***          | ObCtrl       | 0.700 | 0.924     | 0.855      | 0.256 | 0.700 | 1.039 1.080         | 0.324 |
| Experience Control***             | ExprCtrl     | 0.700 | 0.806     | 0.650      | 0.195 | 0.700 | 0.911 0.830         | 0.249 |

<sup>\*</sup>Variables are explained in Section 6.5.

Notes: CR=construct reliability, EV= error variance

In the sections that follow, SEM assessment results are presented, based on the phases already explained in Table 57.

#### 6.4. Phase 1: Assessment of the Baseline Model

The structural relationships in our baseline model, between exogenous (AD, CO, SO, AEI) and endogenous variables (PERFO and PERB), as hypothesized, were formally analysed in a structural model as specified in Figure 17. Having specified the baseline direct effect relationships, control variables are also introduced as exogenous variables (Sales Experience - ExprCrl, Outcome Based Control - ObCtrl). All exogenous variables (i.e. AD, CO, SO, AEI, ExprCrl, ObCtrl and SizeCtrl) are represented by ξ. All the endogenous

<sup>\*\*</sup> Formative indicator - CR was assumed to be 0.70

<sup>\*\*\*</sup> Since variables were measured by a single item, their CR was assumed to be 0.70

variables (i.e., those affected by other constructs in the model, such as PERFO and PERFB) are represented by  $\eta$ . Structural coefficients between the endogenous and exogenous constructs are represented by  $\gamma$  and those between endogenous constructs by  $\beta$ . Errors in equations are depicted by the letter  $\zeta$ .

The structural model was finally estimated with LISREL 8.71 and the ML method. Table 59 reproduces the results of the simultaneous test of the hypothesized relationships. The unhypothesized paths and paths testing influence of control variables (i.e. OBCtrl, ExprCtrl) on endogenous variables were also estimated. For easy tracking of the relationships, the LISREL notations of the structural paths are also provided in Table 59.

Table 59. Baseline Model: Standardized Path Coefficients and T-values

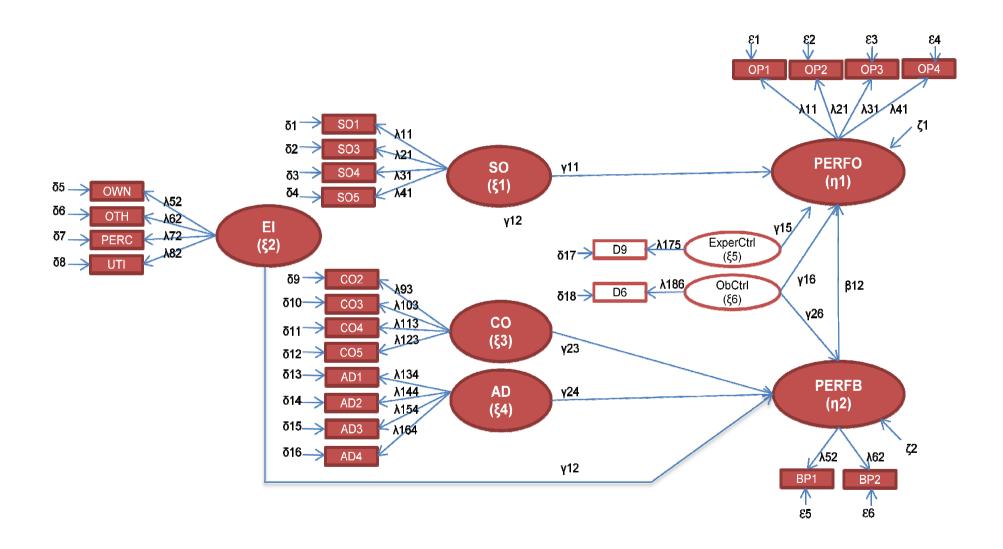
| Hypotheses | Relati | ionships           | Path            | St. estimate | St error | t-value | Result                 |
|------------|--------|--------------------|-----------------|--------------|----------|---------|------------------------|
| H1         | AD     | → PERFB            | $\gamma_{24}$   | 0.14         | 0.056    | 1.65**  | Supported              |
| H4         | PERF   | B→PERFO            | $\beta_{12}$    | 0.61         | 0.160    | 5.08*** | Supported              |
| -          | SO     | →PERFO             | $\gamma_{11}$   | -0.01        | 0.036    | -0.08   | Unhypothesised         |
| -          | CO     | →PERFB             | $\gamma_{23}$   | 0.09         | 0.052    | 1.08    | Unhypothesised         |
| -          | AEI    | →PERFB             | $\gamma_{12}$   | 0.25         | 0.118    | 2.49*** | Unhypothesised         |
| -          | OBCt   | rl →PERFB          | $\gamma_{16}$   | -0.22        | 0.076    | -       | Unhypothesised_Control |
|            |        |                    |                 |              |          | 2.35*** |                        |
| -          | OBCt   | rl →PERFO          | $\gamma_{26}$   | 0.14         | 0.089    | 1.74**  | Unhypothesised_Control |
| _          | ExprC  | trl <b>→</b> PERFO | γ <sub>15</sub> | 0.25         | 0.094    | 3.25*** | Unhypothesised_Control |

**Fit indices:**  $\chi$ 2 = 298.26; df = 231;  $\chi$ 2 /df=1.28, p-value = 0.002; RMSEA = 0.032; NNFI = 0.970; GFI = 0.920; SRMR=0.049, AIC=436.254, PNFI=0.750, CFI=0.975

The first step was inspection of the fit indices. The chi-square ( $\chi 2$ ) test was non-significant at 1 per cent level while all other fit heuristics (RMSEA, SRMR <0.05,  $1 < \chi 2 / df < 3$ , NNFI, GFI, IFI, CFI >0.9) showed that the model fit the data very well. In addition, the R<sup>2</sup> statistic (i.e. the reduced form of multiple square correlation as was produced in LISREL output) for the endogenous PERFO and PERFB variable showed that a high level of variance was explained by the dependent variables. Specifically, our model explained a satisfactory 39.9% of total variance in PERFO. Therefore we assumed that the baseline model fits the data well, suggesting that this model is suitable for further hypotheses testing and model development. The paths were assessed through standardized estimates and the associated t-values. Given that that all of the hypothesized relationships in the model were one-directional, the conservative critical t-values of 1.282, 1.645 and 2.325 were used for  $\alpha = 0.10$ ,  $\alpha = 0.05$  and  $\alpha = 0.01$ , respectively.

<sup>\*\*\*</sup>p<0.01 \*\*p<0.005 \*p<0.1 a=critical t-values are 1.282, 1.645 and 2.325 for  $\alpha$  =0.1,  $\alpha$ =0.05 and  $\alpha$ =0.01 respectively

Figure 17. Baseline Model Paths with Control Variables Included



Based on the results of the assessment of the baseline model presented in Table 59, it is evident that hypothesis H1 is confirmed. Therefore, PERFB is positively influenced by AD ( $\gamma_{24} = 0.14$ ; t = 1.65; p < 0.05). These results are also supported by prior findings from sales behaviour research (e.g. Giacobbe et al., 2006; Porter et al., 2003; Román & Iacobucci, 2010; H. Sujan et al., 1994). Hypothesis 4 (PERFB positively influences PERFO) is also well supported by our baseline model ( $\beta_{12} = 0.61$ ; t = 5.08; p < 0.01). Therefore, salespeople who perform well on activities important for the fulfilment of a regular sales job, which are not directly in association with the sales process (i.e. obtaining good relations with both customers and management) will achieve higher outcome performance. Therefore, this supports the notion that that PERFB and PERFO should be differentiated through sales research and that PERFB is significant and an important predictor of PERFO.

Due to model complexity, the SEM specification of the model was presented for the baseline model tested in the first phase of SEM assessment. In the phases that follow, the full specification of the model will not be explained due to space constraint and model complexity issues. Consequently, we will present only the conceptual model specification.

# 6.5. Phase 2: Assessment of Curvilinear Relationships Nested in the Baseline Model

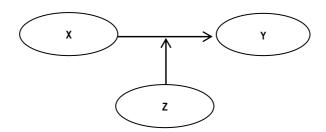
Our SEM assessment conducted in phase two relies on the fact that quadratic effects are nested in the baseline model (Ping, 1996b). Therefore, after the establishment and assessment of the baseline model conducted through Phase One, in Phase Two we introduce the hypothesized quadratic latent variables (i.e. SO<sup>2</sup> and CO<sup>2</sup>) nested in our baseline model.

It is interesting to note that interaction and curvilinear variables have always been encouraged in marketing studies (Ping, 1995). Curvilinear relationships are considered as a powerful tool to conceptually express and empirically test complex relationships, and thus to advance understanding of the underlying theories and their implications for management practice (Meyer, 2009). However, most of the studies published in top academic journals often deal with linear relationships. Aiken and West (1991) see reasons for this in the fact that some of the previously known approaches to model curvilinear effects have been difficult to use. In addition, regression coefficients showed biased and inconsistent results when dealing with quadratic latent variables and interactions.

Before assessment of the quadratic relationships nested in our baseline model, we needed to create and introduce an interaction term for quadratic variables in our model. Because the procedure for the assessment of the quadratic effect and moderating affect is similar we will take the opportunity to explain the procedure for assessment of moderating variables and quadratic effects.

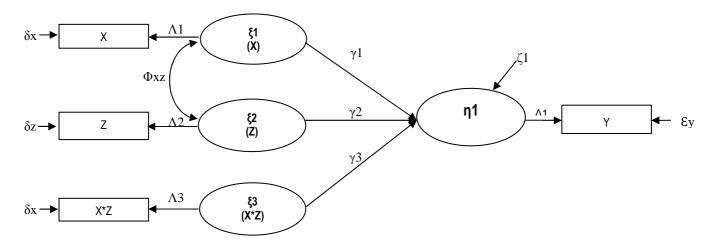
A moderating variable is defined as "one which systematically modifies either the form and/or the strength of the relationship between a predictor and a criterion variable" (S. Sharma, Durand, & Gur-Arie, 1981, p. 291). The way in which we graphically present the moderating effect is given in Figure 18.

Figure 18. Conceptualizing Moderating Effect



In order to test moderating effects, Ping's (1995, 2004) two-step procedure should be followed. The first step is to test the direct relationship between X and Y. The second step introduces the interaction term and assessment of the model presented in Figure 19. In order to test the model presented in Figure 19, the interaction term (X\*Z) should be computed and introduced in the model. The interaction term is obtained by multiplying the independent variable (X) by the corresponding moderator variable (Z). The variable X\*Z presents the interaction term that needs to be introduced as a new variable in the model as shown in Figure 19.

Figure 19. Actual Assessment of the Moderating Effect



Bearing in mind that interaction terms could lead to multicollinearity, Little et al. (2007) suggested the use of orthogonalizad interaction terms (variables that undergo a procedure of residual centering). Therefore, orthogonalizad interaction terms are used in the present study. The process of orthogonalization was conducted through two steps. First, two respective uncentered variables are multiplied. The new product variable is then regressed on both variables that were used to make a product. The residuals of the regression analyses are saved in the data set, and used as an interaction term to be introduced in the moderating effects assessment.

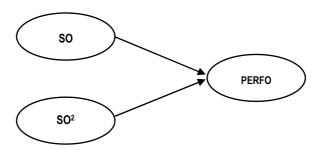
It could be noted that some scholars use mean-centring variables (Aiken &West, 1991), but we carefully inspected both procedures in the paper written by Little et al. (2006) and following advantages of residual centering (i.e. demonstrates reasonable model fit and

standard errors) compared to mean centering we decided to use orthogonalized interaction terms.

Since in this phase of the SEM assessment we want to test quadratic relationships (i.e.  $CO^2 \rightarrow PERFB$  and  $SO^2 \rightarrow PERFO$ ) nested in our baseline model we continue with our explanation of the process of quadratic relationship assessment.

The attitude towards the usage of curvilinear relationships has changed since Ping (1995) proposed an alternative estimation technique of product-term analysis, which introduces a curvilinear latent variable with a single indicant in the SEM. Therefore, Ping (1996b) specified a curvilinear latent variable using all possible pairwise products of the indicators for the linear latent variables that comprise the curvilinear one (as given in Figure 20). This procedure is applied in the present study.

Figure 20. Modeling the Curvilinear Quadratic Effect



Therefore, the curvilinear quadratic variables (CO<sup>2</sup> and SO<sup>2</sup>) were created through the formation of the quadratic specification of their respective linear variables (CO and SO), as explained by Meyer (2009). The procedure for creating new variables was obtained through SPSS 20. Therefore, we named the new variables CO<sup>2</sup> and SO<sup>2</sup>. In accordance with the procedure suggested by Little et al. (2007), orthogonalized (residual-centering) values of CO<sup>2</sup> and SO<sup>2</sup> are used in further analysis. Later, structural coefficients are estimated directly in LISREL 8.71, because the maximum likelihood method appears to be robust to departures from normality. Model complexity was reduced by using single observed scores for all variables involved in the curvilinear and multiplicative terms (Ping, 1995). Therefore, the path between CO<sup>2</sup> and SO<sup>2</sup> and their respective single observed scores measures was fixed to 1. In addition, while modeling quadratic relationships in LISREL we fixed the error variance of CO<sup>2</sup> and SO<sup>2</sup> on values obtained through computation using the equation: EV =  $[(1-\alpha) \times \delta^2]$ , where  $\delta^2$  is calculated using a real standard error data value, while we assumed that the reliability for such a construct is 0.70, which equals the CR threshold of 0.7 recommended by Steenkamp and Van Trijp (1991). With this procedure, the variance in the indicators that come from sources other than the underlying concept itself was effectively constrained. In Table 58 we already presented EV values for all constructs within the Bosnian and Croatian sample, including  $CO^2$  and  $SO^2$ .

It should be noted that the hypothesized paths in our conceptual model are  $CO^2 \rightarrow PERFB$  and  $SO^2 \rightarrow PERFO$ , but we also kept the paths  $CO \rightarrow PERFB$  and  $SO \rightarrow PERFO$  in order to follow the procedure by Aiken and West (1991), which suggested that lower order

relationships (in our case CO  $\rightarrow$  PERFB and SO $\rightarrow$ PERFO) should be included in the model when testing higher order interactions (in our case CO<sup>2</sup>  $\rightarrow$  PERFB and SO<sup>2</sup> $\rightarrow$ PERFO). Therefore, the conceptual model tested in this phase is given in Figure 21.

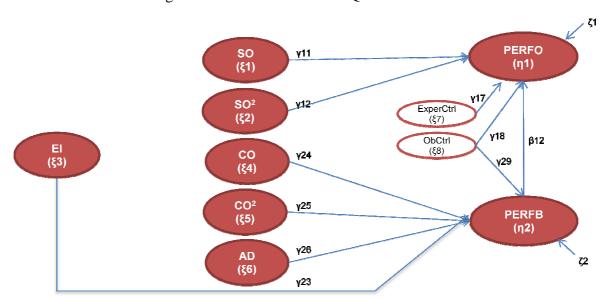


Figure 21. Model with Nested Quadratic Effects

We continue with the assessment of the quadratic effects nested in our baseline model. In order to test quadratic effects, Ping's (1995, 2004) two-step procedure was followed. We already estimated baseline model (please see Section 6.4 explaining Phase One), so we will use the obtained results. In the next step we assessed the constrained model. In the constrained model we allowed the main effects to be estimated freely, while quadratic terms (CO<sup>2</sup> and SO<sup>2</sup>) were included in the model but were fixed at zero. The results of the fit indices were assessed and noted. Finally, the unconstrained model was examined, allowing quadratic terms to be freely estimated. Once again, the fit indices results are noted and presented in Table 60.

Table 60. Fit Indices of the Model with Nested Quadratic Relationships

| Model         | χ2     | DF  | P-value | χ2 / <b>DF</b> | RMSEA | NNFI  | GFI   | SRMR  | AIC     | PNFI  | CFI   |
|---------------|--------|-----|---------|----------------|-------|-------|-------|-------|---------|-------|-------|
| Main Effect   | 298.26 | 231 | 0.002   | 1.28           | 0.032 | 0.970 | 0.920 | 0.050 | 436.254 | 0.750 | 0.975 |
| Constrained   | 142.04 | 90  | 0.000   | 1.57           | 0.045 | 0.923 | 0.945 | 0.046 | 268.043 | 0.580 | 0.949 |
| Unconstrained | 134.98 | 88  | 0.00    | 1.53           | 0.043 | 0.928 | 0.947 | 0.042 | 264.989 | 0.571 | 0.954 |

As can be seen from Table 60, the reduction in  $\chi 2$  from the constrained to the unconstrained model is significant, indicating that the unconstrained model is a better fit for the data. In addition, a chi-square test was performed, resulting in a non-significant result ( $\Delta \chi 2 = 7.14$ ,  $\Delta df = 2$ ). RMSEA (i.e. 0.043) and SRMR (i.e. 0.042) for the unconstrained model were smaller than corresponding values in the constrained model (i.e., RMSEA= 0.045, SRMR = =0.046). In addition, the unconstrained model, in which quadratic variables (CO<sup>2</sup> and SO<sup>2</sup>) were freely estimated, is a more parsimonious model. We can conclude this by inspection of parsimony fit indices (AIC and PNFI), where rule of

thumb suggests that the model with lower values of AIC and PNFI is more parsimonious. In our case this is the unconstrained model (i.e. AIC=264.989 and PNFI=0.571 are smaller than respective values in the constrained model AIC=268.043 and PNFI=0.580). Since the unconstrained model returns good fit indices it is used for quadratic effect hypotheses assessment.

The results of the model assessment are given in Table 62, which includes assessment of two hypothesized quadratic relationships (H2 and H3), and repeated assessment of two hypotheses that were already established through the baseline model (H3 and H4) in Phase One. Again, the paths were assessed through standardized estimates and the associated t-values. Since all the hypothesized relationships were one-directional, the conservative critical t-values of 1.282, 1.645 and 2.325 were used for  $\alpha = 0.10$ ,  $\alpha = 0.05$  and  $\alpha = 0.01$ , respectively. Here it is important to emphasize that our results presented in Table 61 are consistent with the baseline model results (presented in Table 61), since in both models H3 ( $\gamma = 0.13$ ; t = 1.52; p < 0.1) and H4 ( $\gamma = 0.62$ ; t = 5.12; p < 0.01) were supported.

Table 61. Results of the Model with Nested Quadratic Relationships

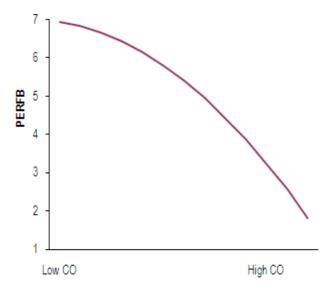
| Hypotheses    | Relationships            | Path | St. estimate | St. error | t-value  | Result                 |
|---------------|--------------------------|------|--------------|-----------|----------|------------------------|
| H1            | $SO^2 \rightarrow PERFO$ | γ    | 0.09         | 0.068     | 1.29*    | Supported              |
| <b>H2</b>     | $CO^2 \rightarrow PERFB$ | γ    | -0.18        | 0.066     | -2.01**  | Supported              |
| Н3            | AD $\rightarrow$ PERFB   | γ    | 0.13         | 0.056     | 1.52*    | Supported              |
| <b>H4</b>     | PERFB→PERFO              | β    | 0.62         | 0.163     | 5.12***  | Supported              |
| -             | SO →PERFO                | γ    | -0.01        | 0.036     | -0.06    | Unhypothesised         |
| -             | CO →PERFB                | γ    | 0.10         | 0.054     | 1.21     | Unhypothesised         |
| -             | AEI →PERFB               | γ    | 0.23         | 0.117     | 2.29**   | Unhypothesised         |
| -             | OBCtrl →PERFB            | γ    | -0.22        | 0.076     | -2.34*** | Unhypothesised_Control |
| -             | OBCtrl →PERFO            | γ    | 0.14         | 0.089     | 1.75**   | Unhypothesised_Control |
| -             | ExprCtrl→PERFO           | γ    | 0.25         | 0.094     | 3.35***  | Unhypothesised_Control |
| $R^2$ (PERFO) | 0.438                    |      |              |           |          |                        |
| $D^2(DEDED)$  | 0.200                    |      |              |           |          |                        |

 $<sup>\</sup>mathbf{R}^{2}(\mathbf{PERFB}) \quad \mathbf{0.208}$ 

In general our H2 is confirmed suggesting a significant quadratic curvilinear relationship between  $CO^2$  and PERFB ( $\gamma$  = -0.18; t = -2.01; p < 0.05). It is interesting to notice that the negative quadratic term ( $CO^2$ ) combined with positive linear term CO ( $\gamma$  = 0.10, t=1.21, n.s.) results in a predominantly positive, concave inverted U-shaped downward curve (Aiken & West, 1991). In order to urge better insights in this curvilinear relationship we pursued the graphing method outlined by Aiken and West (1991) for interpreting quadratic interactions. Therefore, we used unstandardised regression coefficients, means and standard deviations to plot Figure 22. In a Figure 22 we obtained a common presentation of the quadratic latent variable, which usually presents itself as only one side of a "horse shoe". In our case it is in an inverted U shape form. In general, our results support the findings of Homburg et al. (2011b) that the influence of customer orientation on performance has an inverted U-shape form.

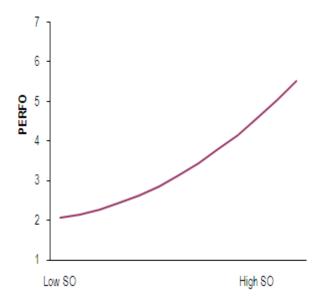
<sup>\*\*\*</sup>p<0.01 \*\*p<0.005 \*p<0.1  $\alpha$  =critical t-values are 1.282, 1.645 and 2.325 for  $\alpha$  =0.1,  $\alpha$ =0.05 and  $\alpha$ =0.01 respectively

Figure 22. CO<sup>2</sup> Curve Analysis



Even more interesting graphical results were obtained for H1. Again we were following a graphing method suggested by Aiken and West (1991) for curvilinear relationships. Therefore, we used unstandardised regression coefficients, means and standard deviations to plot Figure 23. Following Figure 23, H3 is also confirmed, suggesting the marginal, but still significant existence of curvilinear quadratic relationship between SO and PERFO ( $\gamma = 0.09$ ; t = 1.29; p < 0.1). However, in this case, we have found an association of the positive quadratic term (SO<sup>2</sup>) with the negative linear term of SO. Following Meyer et al. (2009) this is an example of convex of a U-shaped functional form.

Figure 23. SO<sup>2</sup> Curve Analysis



### 6.6. Phase 3: Assessment of Mediating Effect

In Phase Three, we continue examination of our model testing mediating effect. We hypothesized that emotional intelligence's influence on the outcome variable (PERFB) should not be observed as a direct influence (which is the case in the literature), but rather as an influence mediated by salesperson relational behaviour. Therefore, we hypothesized that the influence of EI on PERFB is mediated through relational behaviour constructs (i.e. AD, CO, SO). In order to test the mediating effect we also hypothesized that EI is antecedent of salesperson relational constructs (SO, CO and AD). Therefore, in Phase Three we tested the conceptual model offered in Figure 24.

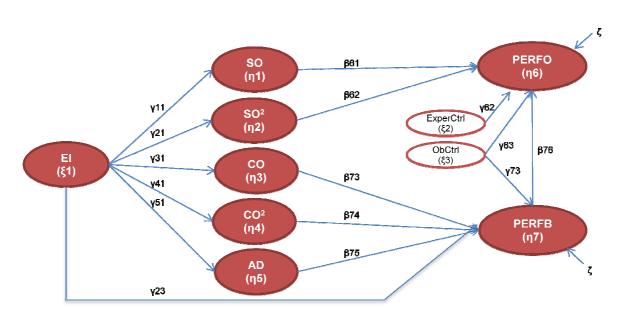


Figure 24. Mediating and Quadratic Relationships Nested in the Baseline Model

A formal test of the mediating role of relational behaviour constructs (i.e. AD, CO, SO) was conducted following Baron and Kenny's (1986) procedure, which requires the evaluation of both a direct model (without the links corresponding to relationship between EI and relational behaviour constructs) and the conceptual mediated model (with all links included). Since through Phase Two we established and tested direct relationships, we will use those results as step one in establishing a mediating relationship. Therefore, we compare the fit statistics of the two models (the direct model from Phase Two and the mediated model presented in Figure 24 that is established in Phase Three) through fit indices results given in Table 62.

Table 62. Comparison of the Fit Indices (Direct and Mediated model)

| Model           | χ2     | df  | P-<br>value | χ2/ <b>df</b> | RMSEA | NNFI  | GFI   | SRMR  | AIC     | PNFI  | CFI   |
|-----------------|--------|-----|-------------|---------------|-------|-------|-------|-------|---------|-------|-------|
| Direct<br>model | 134.98 | 88  | 0.000       | 1.53          | 0.043 | 0.928 | 0.947 | 0.042 | 264.989 | 0.571 | 0.954 |
| Mediated model  | 165.50 | 107 | 0.000       | 1.55          | 0.044 | 0.924 | 0.936 | 0.048 | 257.503 | 0.671 | 0.940 |

In order to prove mediation, fit indices of the mediated model should show a better fit compared to the direct model. In addition,  $\chi 2$  difference per one degree of freedom should be above 3.82 in order to prove that the mediated model is a better fit with the data. Following Table 62 in our case the mediated model does not show a better fit. However, by inspection of mediated model results (in terms of path coefficients), presented in Table 63, we believe that it is worth to give closer look to findings (again all the hypothesized relationships were one-directional, the conservative critical t-values of 1.282, 1.645 and 2.325 were used).

Table 63. Results of the Mediating Effect Nested in the Baseline Model

| Hypotheses             | Relationships                    | Path | St. estimate | t-value | Result                 |
|------------------------|----------------------------------|------|--------------|---------|------------------------|
| H1                     | $SO^2 \rightarrow PERFO$         | β    | 0.09         | 1.35*   | Supported              |
| <b>H2</b>              | $CO^2 \rightarrow PERFB$         | β    | -0.19        | -2.16** | Supported              |
| Н3                     | AD $\rightarrow$ PERFB           | β    | 0.13         | 1.46*   | Supported              |
| H4                     | PERFB→PERFO                      | β    | 0.62         | 5.12*** | Supported              |
| H5a                    | EI →SO                           | γ    | 0.02         | 0.31    | Not Supported          |
| H5b                    | EI $\rightarrow$ CO              | γ    | 0.22         | 2.73*** | Supported              |
| H5c                    | $EI \rightarrow AD$              | γ    | 0.33         | 3.86*** | Supported              |
| -                      | EI $\rightarrow$ SO <sup>2</sup> | γ    | 0.08         | 1.02    | Unhypothesised         |
| -                      | EI $\rightarrow$ CO <sup>2</sup> | γ    | -0.10        | -1.26   | Unhypothesised         |
| -                      | SO →PERFO                        | β    | -0.02        | -0.30   | Unhypothesised         |
| -                      | CO →PERFB                        | β    | 0.10         | 1.25    | Unhypothesised         |
| -                      | EI →PERFB                        | γ    | 0.23         | 2.29**  | Unhypothesised         |
| -                      | OBCtrl →PERFB                    | γ    | -0.22        | 1.75**  | Unhypothesised_Control |
| -                      | OBCtrl →PERFO                    | γ    | 0.14         | 2.29**  | Unhypothesised_Control |
|                        | ExprCtrl→PERFO                   | γ    | 0.25         | 3.35*** | Unhypothesised_Control |
| R <sup>2</sup> (PERFO) | 0.435                            |      |              | •       |                        |
| R <sup>2</sup> (PERFB) | 0.207                            |      |              |         |                        |

<sup>\*\*\*</sup>p<0.01 \*\*p<0.005 \*p<0.1 a=critical t-values are 1.282, 1.645 and 2.325 for  $\alpha$  =0.1,  $\alpha$ =0.05 and  $\alpha$ =0.01 respectively

The results of the assessment in Phase Three are consistent with the results presented in Phase One (H3 and H4 are again confirmed) and in Phase Two (curvilinear relationships stated through H2 and H3 are also confirmed). Following results obtained through Table 63 it is obvious that H5b and H5c are supported while H5a is not supported. We proved that EI significantly predicts CO ( $\gamma = 0.22$ ; t = 2.73; p < 0.01) and AD ( $\gamma = 0.33$ ; t = 3.86; p < 0.01) < 0.01). This is a very valuable insight from the perspective of the sales managers, which suggests that salespeople who are able to recognize their own and customers' feelings, who motivate themselves, and in addition manage their emotions and the emotions of their customers while interacting with them (adapted EI definition from Sayer and Salovey, 1997), will be capable of "altering of sales behaviours during a customer interaction, or across customer interactions, based on perceived information about the nature of the selling situation" (Weitz, Sujan, & Sujan, 1986, p. 135), meaning they will be able to exercise adaptive selling. In addition, only emotionally intelligent salespeople will more easily exhibit CO behaviour, since those salespeople really understand the needs and wants of the customer's and are able to put themselves in the customer's shoes. Unfortunately H5a is disconfirmed, suggesting that emotional intelligence is not related to SO.

The overall objective of Phase Three (to prove that the influence of EI on PERFB is mediated through salespeople's relational behaviour) is not reached by our research. However we believe that this should be more closely researched through further studies on emotional intelligence in the sales context.

## 6.7. Phase 4: Assessment of Moderating Relationships

The procedure followed in our research relies on the fact that moderating effects are nested in the baseline model; therefore, Ping's (1995) multiplicative interactive approach is used to estimate the moderator effects. Thus, after the establishment and assessment of the baseline model (Phase One), assessment of the curvilinear relationships nested in the baseline model (Phase Two), and assessment of mediation (Phase Three) in Phase Four we assess the complete model, including interactions for examination of the moderating effect.

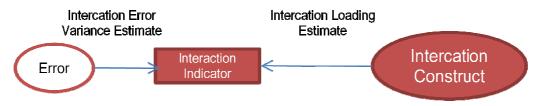
Therefore, based on the conceptual model presented in Figure 16 (please see Section 6.3) and the explanation of the SEM assessment phases given in Table 57 (in Section 6.3), we examine H6a, H6b and H6c, which test the moderating influences of MJUD dimensions (namely EQUI, REL and PERC) on the relationship between AD and PERFB. In order to test the moderating influence of EQUI, REL and PERC, we introduced interaction terms. Interaction terms are single indicants obtained by multiplying the independent (AD) by the moderating variable (EQUI, REL and PERC). Therefore, three interaction terms are introduced (i.e., ADxEQUI, ADxREL and ADxPERC) into the model to be tested. As already explained in Section 6.3, error variance should be computed for all single indicants. In order to compute error variance and factor loadings for interaction terms, we used Ping's (1995) computation formula (given in equations in Appendix K) and the results obtained are given in Table 64.

Table 64. Interaction Terms: Loadings and Error Variance

| Interaction Terms (X*Z) | <b>Interaction Loading Estimate</b> | Interaction Error Variance Estimate |
|-------------------------|-------------------------------------|-------------------------------------|
| AD x EQUI               | 0.85                                | 0.27                                |
| AD x REL                | 0.83                                | 0.32                                |
| AD x CONTR              | 0.85                                | 0.28                                |

Therefore, the observed interactions (treated as indicator of the Figure 25) are fixed to the latent construct by the value of interaction loading estimate (e.g. LISREL Syntax: adxequi=0.85\*ADxEQUI), while error variance of the observed interactions was also fixed to the computed value from Table 64 (e.g. LISREL Syntax: Set the error variance of adxequi to 0.27).

Figure 25. Modeling Interaction Terms



However, given that our mediated model assessed in the previous phase did not show a decrease in its chi-square value, but did prove that EI significantly influences relational behaviour, we introduced interaction terms in two competing models. The first model is the non-mediated model, while the second model is mediated model. We noted results, and examined both models with giving special attention to:

- 1. Fit of the model;
- 2. The amount of variance explained by the respective variable (examined by looking at the squared multiple correlations  $(R^2)$  for the structural equations);
- 3. Consistency of directions of the relationships between the constructs in the final model compared to models tested in the previous phases (examined by looking at the signs of the respective parameters);
- 4. The strength of the hypothesized links, reflected by the estimated parameters (examined by looking at t-values);
- 5. Influence of the control variables on the model.

Evidently, the three moderator variables (i.e., EQUI, REL and PERC) are specified and estimated simultaneously in a single SEM analysis, nested first in non-mediated model and secondly in mediated model. In order to test moderating effects, Ping's (1995, 2004) two-step procedure was followed. First, we estimated the main effect of the model. In the main effect model, all variables, including moderator variables, (i.e., EQUI, REL and PERC) directly influenced the dependent variable. Fit indices were examined and noted. The next step involved the test of the constrained model. In the constrained model, only the main effects were allowed to be estimated freely, while interaction terms were also included in the model (ADxEQUI, ADxREL and ADxPERC) but were fixed at zero. Once again, results were assessed and noted. Finally, the unconstrained model was examined, letting interaction terms to be freely estimated. Results for all rounds in both models are presented in Table 65.

Table 65. Fit Indices of the Model with Nested Interaction Terms

|       | Model                | χ2     | df  | P-<br>value | χ2 /df | RMSEA | NNFI  | GFI S | SRMR  | AIC     | PNFI  | CFI   |
|-------|----------------------|--------|-----|-------------|--------|-------|-------|-------|-------|---------|-------|-------|
| Model | Main Effect          | 126.68 | 96  | 0.020       | 1.32   | 0.034 | 0.950 | 0.950 | 0.058 | 240.68  | 0.625 | 0.965 |
| 119   | Constrained          | 173.09 | 129 | 0.006       | 1.34   | 0.035 | 0.941 | 0.943 | 0.055 | 335.094 | 0.597 | 0.960 |
| 1     | <b>Inconstrained</b> | 168.90 | 126 | 0.007       | 1.34   | 0.035 | 0.941 | 0.944 | 0.054 | 336.89  | 0.586 | 0.961 |
| Model | Main Effect          | 54.31  | 62  | 0.764       | 0.88   | 0.000 | 1.014 | 0.978 | 0.028 | 236.31  | 0.434 | 1.000 |
| 220   | Constrained          | 85.36  | 80  | 0.320       | 1.07   | 0.015 | 0.984 | 0.971 | 0.031 | 345.36  | 0.396 | 0.993 |
| 2     | <b>Inconstrained</b> | 81.37  | 77  | 0.337       | 1.19   | 0.014 | 0.985 | 0.972 | 0.029 | 347.37  | 0.383 | 0.994 |

As can be seen from Table 65, in both cases (with mediated and non-mediated model) we could observe reduction in  $\chi 2$  from the constrained to the unconstrained model, indicating that the unconstrained model is a better fit to the data. In addition, a chi-square test was

<sup>&</sup>lt;sup>19</sup> Model where influence of EI on PERFB is mediated through relational behaviour

<sup>&</sup>lt;sup>20</sup> Model which includes only direct influence of EI on PERFB

performed, resulting in a non-significant result (Model 1:  $\Delta\chi 2 = 4.19$ ,  $\Delta df = 3$ ; Model 2:  $\Delta\chi 2 = 3.73$ ,  $\Delta df = 3$ ). Fit indices (i.e. RMSEA, SRMR, GFI, NNFI) for the unconstrained models were on the same level or better compared to corresponding values in the constrained models. In both cases the PNFI index, which is commonly used for model comparison purposes, showed better values for unconstrained models. Since the unconstrained models return better fit indices compared to the constrained models, the former are used for moderator hypotheses assessment.

The assessment results of the unconstrained Model 1 and unconstrained Model 2 are given in Table 66. Before going into further discussion, we should decide which model (Model 1 or Model 2) to accept. Given that both explain the same amount of variation in PERFO (40.30%) the decision is not easy. However, looking at Table 65, the fit indices results for Model 2 are better compared to those of Model 1. Nonetheless, if we take for our final model Model 1, we will discard highly significant relationships between EI and AD, EI and CO, which confirms that EI acts also as a predictor of relational salesperson behaviour. In order to obtain a more comprehensive model which would offer broader exploration of the role of EI in salesperson behaviour and performance for hypotheses discussion, we will use Model 1, which is presented in Figure 26.

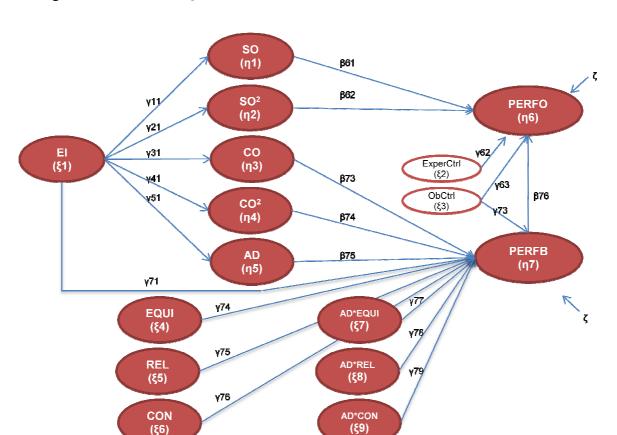


Figure 26. Mediation, Quadratic and Interaction Terms Nested in the Baseline Model

First, it is important to emphasize that Model 1 yields results consistent with the results of hypotheses assessment in Phases One, Two and Three. Therefore, Model 1 also supports

H1-H4, H5b and H5c, while H5a is not supported. In this phase, for the first time we included interactions that test H6. Hypothesis H6 was divided into three parts, suggesting that all dimensions of Moral Judgment (i.e., EQUI, REL, CONTR) moderate the relationship between AD and PERFB. H6 would be fully supported if H6a, H6b and H6c were all supported. The results presented in Table 66 yield interesting results. First of all, it is evident that the moderating influences of the three Moral Judgment dimensions of the AD-PERFB relationship do not have the same sign. While two dimensions (REL and CONTR) seem to have a significant moderating influence ( $\gamma = 0.26$ ; t = 1.35; p < 0.1 and  $\gamma$ = -0.17; t = -1.30; p < 0.05 respectively) on the AD-PERFB relationship, one (EQUI) does not moderate the AD-PERFB relationship. Therefore, it seems that all dimensions of Moral Judgment do not have the same importance for PERFB. Our research concludes the existence of a significant moderating effect of REL and CONTR, whereas EQUI has no significant moderating impact. This must be taken into account by companies in order to improve their sellers' training. Moreover, our findings support the view that in order to have non-vague conclusions, scholars should make a distinction between different dimensions of the higher-level reflective constructs, because dimensions often do not act in the same direction. We conclude that hypotheses H6b and H6c are supported, while we unexpectedly found that H6a is not supported, and this calls for further research.

Before going on with any conclusions regarding the importance of EQUI it is advisable to replicate the study and to observe again the items of the EQUI. It might happen that the items of the EQUI are too global, not offering enough variation, which was not the case with REL and CONTR. The EQUI dimension is grounded in a sense of fairness, justice, and rectitude, and there may be a stronger consensus around these attributes than what is perceived as acceptable to tradition or culture (REL) or what is implied (CONTR). For example, large sales margins may be perceived as fair by some salespeople (allowing for better earnings for the company), and unfair by others (who feel that buyers are victimizing because large sales margins mean they are paying to high prices for a particular product). Similarly, salespersons from different ethnic backgrounds (i.e. Bosniaks, Serbs, Croats) may judge the same event as more or less acceptable (REL). In some ethnic backgrounds, drinking wine during a business meeting is an acceptable practice, whereas in another ethnic background, it is not acceptable. Therefore, we assume that due to the low between-subject variance on the EQUI items we obtain results as such, and similar to those experienced by Schepers (2003).

In Table 66 it can be seen that the signs and significance of the proposed relationships are consistent with the signs in the SEM models established and discussed in Sections 6.5, 6.6 and 6.7. Therefore, in the simultaneous test with all relationships and interactions included, the same hypotheses were confirmed as in Sections 6.5, 6.6 and 6.7. In addition, in accordance with previous studies (e.g. Deeter-Schmelz & Sojka, 2003; Kidwell et al., 2011; Lassk & Shepherd, 2013; Prentice & King, 2010; Rozell et al., 2006) our model confirmed the existence of a positive unhypothesized relationship between EI and PERFB ( $\gamma = 0.23$ ; t = 2.23, p < 0.01). Therefore, sales professionals are likely to perform better if they can integrate emotional information into sales presentations to persuade customers by appealing to current emotional states.

Table 66. Final Model Results (Calibration Sample, Bosnia and Herzegovina)

|            |                                  | Model 1  | (Mediated) | Model 2 (N   | ot-Mediated) |                        |
|------------|----------------------------------|----------|------------|--------------|--------------|------------------------|
| Hypotheses | Relationships                    | St.      | t-value    | St. estimate | t-value      | Result                 |
|            |                                  | estimate |            |              |              |                        |
| H1         | $SO^2 \rightarrow PERFO$         | 0.11     | 1.49*      | 0.11         | 1.52*        | Supported              |
| H2         | $CO^2 \rightarrow PERFB$         | -0.18    | -2.12**    | -0.20        | -2.24***     | Supported              |
| Н3         | AD $\rightarrow$ PERFB           | 0.16     | 1.61*      | 0.07         | 1.30*        | Supported              |
| <b>H4</b>  | PERFB→PERFO                      | 0.59     | 5.15***    | 0.59         | 5.16***      | Supported              |
| H5a        | EI <b>→</b> SO                   | 0.01     | 0.08       | -            | -            | Not Supported          |
| H5b        | EI → CO                          | 0.23     | 4.09***    | -            | -            | Supported              |
| H5c        | EI $\rightarrow$ AD              | 0.35     | 2.23**     | -            | -            | Supported              |
| H6a        | ADxEQUI → PERFB                  | -0.22    | -1.11      | -0.17        | -0.93        | Not Supported          |
| H6b        | $ADxREL \rightarrow PERFB$       | 0.26     | 1.35*      | 0.24         | 1.35*        | Supported              |
| <b>H6c</b> | ADxCONTR → PERFB                 | -0.17    | -1.30*     | -0.21        | -1.35*       | Supported              |
| -          | SO →PERFO                        | -0.03    | -0.46      | -0.02        | -0.21        | Unhypothesised         |
| -          | CO →PERFB                        | 0.10     | 1.30*      | 0.14         | 1.66**       | Unhypothesised         |
| -          | EI $\rightarrow$ CO <sup>2</sup> | -0.09    | -1.02      | -            | -            | Unhypothesised         |
| -          | EI →SO <sup>2</sup>              | 0.08     | 1.00       | -            | -            | Unhypothesised         |
| -          | EI →PERFB                        | 0.23     | 2.23**     | 0.23         | 2.25**       | Unhypothesised         |
| -          | EQUI → PERFB                     | 0.09     | 0.53       | 0.05         | 0.28         | Unhypothesised         |
| -          | REL $\rightarrow$ PERFB          | -0.21    | -1.27      | -0.19        | -1.12        | Unhypothesised         |
| -          | CONTR → PERFB                    | -0.08    | -1.11      | -0.07        | -0.63        | Unhypothesised         |
| -          | OBCtrl →PERFB                    | -0.21    | -2.24**    | -0.21        | -2.25**      | Unhypothesised_Control |
| -          | OBCtrl →PERFO                    | 0.13     | 1.63*      | 0.13         | 1.61*        | Unhypothesised_Control |
| -          | ExprCtrl →PERFO                  | 0.25     | 3.29***    | 0.31         | 3.30***      | Unhypothesised_Control |
| R2 (PERFO) |                                  | 0.403    |            | 0.403        |              |                        |
| R2 (PERFB) |                                  | 0.230    |            | 0.242        |              |                        |

<sup>\*\*\*</sup>p<0.01 \*\*p<0.005 \*p<0.1 a=critical t-values are 1.282, 1.645 and 2.325 for  $\alpha$  =0.1,  $\alpha$ =0.05 and  $\alpha$ =0.01 respectively

Influence of the control variables has not been discussed before. Therefore, we now draw attention to their influence. Two variables were included in the model: sales experience and an outcome-based control (through income that is not fixed regular salary, such as bonuses and provisions). Similar to studies conducted in the past (e.g., Franke & Park, 2006; Jaramillo & Grisaffe, 2009), our model also confirmed that sales experience (ExprCtrl) has a positive effect on PERFO ( $\gamma = 0.25$ ; t = 3.29, p < 0.01). Therefore, the more experienced salespeople are, the better performers they tend to be. The fact that our results are in line with the previous studies in this area contributes to the relevance of the research.

Interesting results are obtained regarding the influence of the outcome-based control (OBCtrl) on PERFB and PERFO. Establishment of the OBCtrl system positively and significantly influences PERFO of salespersons ( $\gamma=0.13$ ; t=1.63; p<0.1). This could be explained by the fact that if salespersons have the opportunity to earn more (by selling more) based on bonuses offered within company regulations, they will try to perform better and therefore achieve better sales quotas. At same time, by doing so, that would have a negative and significant impact on PERFB ( $\gamma=-0.21$ ; t=2.24; p<0.01), meaning that it would negatively influence the relationship with customers and management (these were variables that measured PERFB). A new question arises about the final effect of OBCtrl system on the salesperson PERFO: is it positive or negative? This question is answered by doing decomposition of the structural effects, which showed that the total influence of the OBCtrl system on PERFO is still positive ( $\gamma=0.03$ ), but not as large as was assumed at the beginning.

# 6.8. Phase 5: Cross-validation

As already stated, data were collected in Bosnia and Herzegovina, and Croatia. The data collected in Bosnia and Herzegovina (calibration sample) were used for model development and initial model assessment, while the data collected in Croatia (validation sample) were used for model cross-validation. Therefore, the model is examined through cross-validation, with special attention brought to hypothesized relationships that were supported with the calibration sample.

Since the final model has some interaction and quadratic terms included, the first step in cross-validation was preparation of the interaction and quadratic terms to be included in the model. The process of obtaining quadratic terms (i.e.  $SO^2$  and  $CO^2$ ) was already explained in the Section 6.5, therefore the same procedure was run. Error variances for quadratic terms are already computed and presented in Table 58 (please see section 6.3). Since quadratic terms (i.e.  $SO^2$  and  $CO^2$ ) are higher order interactions they were orthogonalized with lower order variables (i.e., SO, CO) as recommended by Little et al. (2006).

Bearing in mind that our Hypothesis H6a (EQUI moderates the relationship between AD and PERFB) has not been confirmed within the calibration sample, we excluded it from the cross-validation. Therefore, the other two interactions were computed (i.e., ADxREL, ADxCONTR). Both interaction terms were orthogonalized. Next, based on the equation

given in Appendix K, error variances and factor loadings for interactions terms were computed. The results reported in Table 67 are used in model specification for fixing the interactions' loading estimate and interaction variance estimates.

Table 67. Interaction Terms: Loadings and Error Variance (Validation Sample, Croatia)

| Interactive Terms(X*Z) | Interaction Loading Estimate | Interaction Error Variance Estimate |
|------------------------|------------------------------|-------------------------------------|
| ADxREL                 | 0.82                         | 0.26                                |
| ADxCONTR               | 0.90                         | 0.19                                |

The computed interaction estimates and error variance values are included in the final model specification. The cross-validation model converged successfully. The results of examination of the final structural model using the validation sample corroborate the results of SEM using the calibration sample. As demonstrated in Table 68, the validation sample model showed good overall fit:  $\chi 2 = 116.78$ ; df = 86;  $\chi 2/df = 1.35$ , p-value = 0.015; RMSEA = 0.038; SRMR=0.045. In addition, the R<sup>2</sup> values for the structural equations were even better in the cross-validation model (PERFO = 0.816, PERFB =0.306) compared with the model obtained by using the calibration sample.

Based on the results presented in Table 68, we could observe that most of the signs of the associations between constructs were in accordance with the hypothesized relationships. In terms of the strength of path estimates, the testing of the model on the validation sample corroborated the order of relative importance of the various constructs that had been suggested by the results based on the calibration sample. Moreover, the validation sample strongly confirmed results obtained through the calibration sample for H1, H3, H4, H5b, H5c, H6c. Results for the H2 could be considered partly supported.

Table 68. Final Model Results (Validation Sample, Croatia)

| Hypotheses | Relationships                | St. estimate | t-value | Result                 |
|------------|------------------------------|--------------|---------|------------------------|
| H1         | $SO^2 \rightarrow PERFO$     | 0.11         | 1.65**  | Supported              |
| H2         | $CO^2 \rightarrow PERFB$     | -0.04        | -0.46   | Partly Supported       |
| Н3         | AD $\rightarrow$ PERFB       | 0.25         | 3.53*** | Supported              |
| H4         | PERFB→PERFO                  | 0.87         | 6.85*** | Supported              |
| H5b        | EI → CO                      | 0.45         | 5.57*** | Supported              |
| H5c        | $EI \rightarrow AD$          | 0.26         | 3.53*** | Supported              |
| H6b        | $ADxREL \rightarrow PERFB$   | -0.05        | -0.60   | Not Supported          |
| H6c        | $ADxCONTR \rightarrow PERFB$ | -0.18        | -2.34** | Supported              |
| -          | SO →PERFO                    | 0.08         | 1.19    | Unhypothesised         |
| -          | CO →PERFB                    | 0.34         | 1.64*   | Unhypothesised         |
| -          | EI →PERFB                    | 0.05         | 0.47    | Unhypothesised         |
|            | REL $\rightarrow$ PERFB      | 0.08         | 0.99    | Unhypothesised         |
|            | CONTR → PERFB                | 0.02         | 0.31    | Unhypothesised         |
| -          | OBCtrl →PERFB                | -0.05        | -0.76   | Unhypothesised_Control |
| -          | OBCtrl →PERFO                | 0.11         | 1.10    | Unhypothesised_Control |
|            | ExprCtrl →PERFO              | 0.17         | 2.97**  | Unhypothesised_Control |

**Fit indices:**  $\chi$ 2 = 116.78; df = 86;  $\chi$ 2/df=1.35, p-value = 0.015; RMSEA = 0.038; NNFI = 0.949; GFI = 0.950; SRMR=0.045, AIC=286.781, PNFI=0.508, CFI=0.970

R2 (PERFO) = 0.816R2 (PERFB) = 0.306

<sup>\*\*\*</sup>p<0.01 \*\*p<0.05 \*p<0.1 a=critical t-values are 1.282, 1.645 and 2.325 for  $\alpha$  =0.1,  $\alpha$ =0.05 and  $\alpha$ =0.01 respectively

Based on the results of the cross validation model presented in Table 68, hypothesis H1 was confirmed in the Bosnian sample. Within the Croatian sample the quadratic interaction (SO<sup>2</sup>) suggested the significant existence of a curvilinear quadratic relationship between SO and PERFO ( $\gamma = 0.11$ ; t = 1.65; p < 0.05) in a convex, U-shaped functional form. To the best of our knowledge this is the first study that examined this relationship, and proved its existence in two countries.

Hypothesis H2 was strongly supported (in terms of direction, magnitude and significance) in the case of the Bosnian sample. However, with the Croatian sample the situation was different. We observed that the signs of the relationships are consistent in both countries, meaning that the negative quadratic term (CO<sup>2</sup>) is combined with a positive linear term (CO), suggesting a positive, concave inverted U-shaped curve (Aiken & West, 1991). However, while within the Bosnian the sample quadratic term was highly significant, in the Croatian sample it gave insignificant results ( $\gamma = -0.04$ ; t = -0.46; p n.s). We believe that the reason for this inconsistency could be found in the sample characteristics. That is, the Croatian sample had around 50 units less than the Bosnian sample. In addition, respondents came from different industries, and the percentages of the representation of different industries in the samples were not similar. Maybe with additional data we could achieve a significant quadratic term. In addition, the existence of a curvilinear inverted Ushape relationship between customer orientation and performance was also established and supported by Homburg et al. (2011b). Therefore, we could assume that the relationship between CO and PERB could be moderated by variables that we did not include in our model (competition, product complexity, sales task complexity). Therefore we call for additional research on this topic in order to establish a generalizable model of the curvilinear relationship between CO and PERFB.

Based on the results of the cross validation model, presented in Table 68, and in accordance with the calibration sample and previous studies (e.g. Giacobbe et al., 2006; Porter et al., 2003; Román & Iacobucci, 2010; H. Sujan et al., 1994) it is evident that hypothesis H3 is strongly confirmed. Therefore, PERFB is positively influenced by AD ( $\gamma = 0.25$ ;  $\tau = 0.25$ ;  $\tau = 0.01$ ).

Hypothesis 4 (PERFB positively influences PERFO) is also strongly supported by our cross-validation model ( $\beta$  = 0.87; t = 6.85; p < 0.01). In addition, we also proved that EI is an important predictor of both, CO ( $\gamma$  = 0.45; t = 5.75; p < 0.01) and AD ( $\gamma$  = 0.26; t = 3.53; p < 0.01). These results confirmed H5b and H5c.

While H6b was confirmed within the Bosnian sample ( $\gamma = 0.26$ ; sg.), it is not supported within the Croatian sample ( $\gamma = -0.05$ ; t = -0.60; n.s.). Given that the concept of Relativism is specific for each cultural context, inconsistent values between samples should not be unexpected since cultural values affect this concept. However, the moderating influence of CONTR on the AD-PERFO relationship is strongly confirmed ( $\gamma = 0.189$ ; t = 2.34; p < 0.01) with the cross-validated sample.

Overall, the validation model results seem to constitute sufficient evidence that the proposed conceptual framework is supported by the data, while reinforcing support for the nomological validity of the constructs that integrate the final model.

### 6.9. Additional Insights into Moderating Effects

H<sub>6</sub>c

Our model examined several moderating relationships and quadratic terms using the two samples. An overview of all quadratic and interaction terms that were examined is given in Table 69. From Table 69, it is evident that a number of hypotheses (in terms of strength and sign) are confirmed in both counters in the same way (i.e., H1, H2, H6a, H6b, H6c).

| Moderating<br>Hypotheses | Relationships                | Result (BH sample) | Result (CRO sample) |
|--------------------------|------------------------------|--------------------|---------------------|
| H1                       | $SO^2 \rightarrow PERFO$     | Supported          | Supported           |
| <b>H2</b>                | $CO^2 \rightarrow PERFB$     | Supported          | Partly Supported    |
| H6b                      | AD x REL $\rightarrow$ PERFO | Supported          | Not-Supported       |

Supported

Supported

AD x CONTR →PERFO

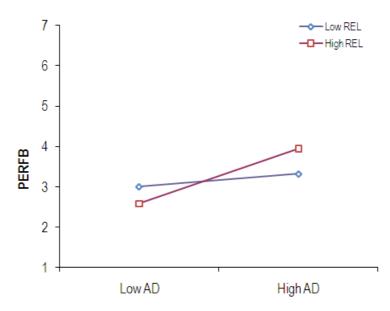
Table 69. Hypotheses Related to Quadratic and Interaction Terms

Because the curvilinear relationships (H1 and H2) were already plotted (in Chapter 6.5) we use this opportunity to explore other significant moderating relationships (H6a-H6c) by plotting their graphical representations. Since H6a was not confirmed we did not explore that relationship. In addition, H6b is confirmed only with the Bosnian dataset, so we used Bosnian data only to plot it. All linear moderating relationships were plotted using the standardized estimates and intercepts as Cohen et al. (2002) recommends, while the effects involving curvilinear variables were plotted using the unstandardized estimates and intercepts as recommended by Ping (2004).

First we examined the moderating effect stated through H6b (i.e., REL is a significant moderator of the AD-PERFB relationship) that was significantly supported in Bosnia and Herzegovina. The moderating effect is presented in Figure 27, using data obtained from Bosnian respondents. The sign of the interaction term is positive ( $\gamma = 0.26$ ; t = 1.35; p < 0.1) as hypothesized. The simple slopes analysis, as depicted in Figure 27, indicates that AD has a positive impact on PERFB.

In addition, in circumstances where salespeople have low Relativism (low REL), this will enervate the positive influence of AD of PERFB. On the contrary, in cases where they have a superior level of Relativism (high REL), AD skills will be even more productive in terms of PERFB. Thus, salespeople that based their perception of fairness and justice on the tradition of the present cultural context (Bosnia and Herzegovina) would easily transfer adaptive selling to behavioural performance. Therefore, a salesperson with high relativism would increase his or her PERFB with an increase in AD.

Figure 27: Interaction of Relativism and Adaptive Selling



Hypothesis H6c supposes that contractualism would depend on the positive relationship between AD and PERFB. This hypothesis was confirmed with Croatian and Bosnian respondents. Therefore, we plotted in Figure 28 the moderating relationship using data obtained from Bosnian respondents and in Figure 29 using data obtained from Croatian respondents. In order to explain the results in Figure 28, it is necessary to give further explanation about the business and social context of the countries where we conducted our research. Based on results provided by Transparency International<sup>21</sup> (2012), Bosnia and Herzegovina has a lack of transparency and accountability due to a complex legal framework. From access to information to public procurement, Bosnia and Herzegovina's weak legal framework is vulnerable to corruption due to the country's post-war context and complicated legislation. Statistics indicate that very few cases of corruption result in criminal convictions, and even fewer reach final verdicts. The situation in Croatia is somewhat better, but still the Corruption Index (Transparency International, 2011) was 4.1 in 2010 (on a scale from 0-10 where 10 means no corruption at all), while in Bosnia it was 3.2. Therefore, people take for granted that an implied contract existing between business and society assumes corruption as a way of how business is done. Therefore, contractualism, which is the perception of what is right and wrong based on notions of an implied contract that exists between business and society (which assumes corruption in this cultural context) would deepen the positive relationship between AD and PERFB. It is expected that this moderating relationship would not have the same sign in a different cultural context, where corruption is not a part of the implied contract that exists between business and society.

<sup>&</sup>lt;sup>21</sup> Transparency International is a global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, they raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it.

Figure 28: Interaction of Contractualism and Adaptive Selling (Bosnia and Herzegovina)

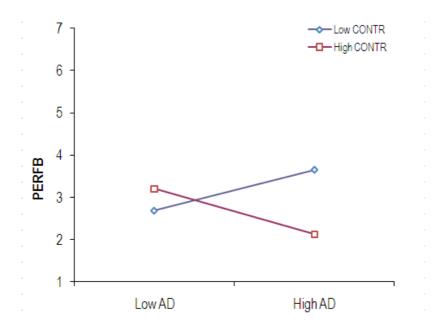
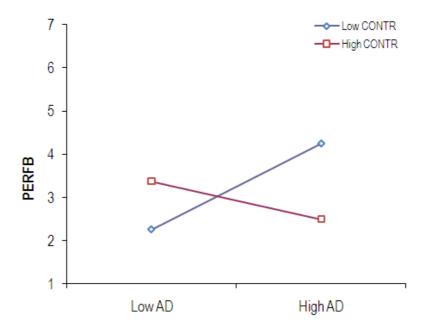


Figure 29. Interaction of Contractualism and Adaptive Selling (Croatia)



### 7. CONTRIBUTIONS, IMPLICATIONS, LIMITATIONS, FURTHER RESEARCH

This is the last chapter of the doctoral dissertation. Its purpose is to conclude our study by discussing its major findings, drawing implications for theory development, and reflecting on lessons for practitioners. Thus, this chapter is organised as follows. First, the key theoretical contributions are given followed by methodological contributions. Next, an account is given to sales practitioners, sales managers and human resource managers with regard to lessons that could be learned from the present study. Last, the limitations of the study are discussed and directions for a future research agenda are examined.

#### 7.1. Theoretical contributions

This study has many theoretical implications. The first and perhaps most important theoretical contribution of the dissertation is its innovative and contemporary multidisciplinary approach to the topic of salesperson performance. This dissertation proposed a new theoretical model of salesperson performance by linking substantial knowledge (performance, adaptive selling, customer orientation and moral judgment) with a conceptually well-known but under-researched construct (selling orientation) and with a relatively new and under-researched construct in the sales context (emotional intelligence) through cross-national research conducted in two under-researched countries (Bosnia and Herzegovina, and Croatia). The proposed theoretical approach to salesperson performance takes its origins in contingency theory proposed by Weitz (1981) and Weitz et al. (1986) while considering both relational salesperson behaviour and individual salesperson characteristics. Moreover, the proposed theoretical model also put a large emphasis on cultural context through the inclusion of moral variables (EQUI, REL, CONTR) that differ from society to society and from individual to individual. Additionally, within the exception of the ten papers (that we reported on in the section 1.6) that scratched the surface in exploration of the role of EI this doctoral dissertation will serve as a pioneer in introducing the EI variable in sales performance theoretical models.

Second, we followed recommendations by Evans et al. (2012), who claimed that contemporary sales practice needs multiple conceptual or substantive types of sales performance. Therefore, through our theoretical model we accepted salesperson performance conceptualization offered by Anderson and Oliver (1987) who differentiate between salesperson behaviour performance and outcome performance. Therefore we evaluated salesperson performance in two ways: what they do (e.g., sales planning) and the outcomes (e.g., sales results) that are attributed to them. This positioned our model much closer to real life since we picture salespersons as complex entities, individuals who have to offer much more than a sales quota. Given that previous studies focused on personal selling *per se*, without separating behavioural and outcome achievements, this should be taken as an independent theoretical contribution.

In order to offer a new perspective on the topic, we analysed psychological literature together with moral philosophy literature. Therefore, the third important overarching contribution of the dissertation is that it bridges the gaps between psychology, moral

philosophy and sales literature, by synthesizing and extending prior work in different fields in order to provide a comprehensive model of salesperson performance. In addition to a review of the complex nature of EI, which was expressed through several different conceptual interpretations, the dissertation has stressed that EI should be considered from a different view in order to be fully understood. Therefore, we provided a literature review (as an example of qualitative data on EI) and co-citation analysis together with science mapping (as an example of quantitative bibliometric data) to ensure a more comprehensive explanation of the EI psychological literature that would narrow the knowledge gap concerning the EI construct that exists in sales literature, and which is reflected in the fact that only ten studies so far have explored the EI construct in a sales context. To the best of our knowledge, this is the first study in sales to employ this type of approach to literature review.

Forth, the findings of this study support the contingency theory proposed by Weitz (1981) and Weitz et al. (1986), claiming that adaptive selling is an important determinant of sales performance moderated with moral contingencies. In addition, in our contingency model, we included SO and CO as salesperson relational constructs that influence salesperson performance. The relationship between SOCO and outcome variables has often been taken for granted (positive and negative, respectfully) but has not been explored in most cases. Therefore, the results of the previous studies reveal inconsistent relationships of different direction and magnitude (e.g., Boles, Babin, Brashear, & Brooks, 2001; Goff, Boles, Bellenger, & Stojack, 1997; Guenzi, De Luca, & Troilo, 2011; Singh & Koshy, 2011; Wachner, Plouffe, & Grégoire, 2009). With our findings, we contribute to the present knowledge by explicitly taking a non-linear (i.e., quadratic) approach to explaining the salesperson performance outcomes of SO and CO. Therefore, we proved the existence of an optimal level of CO and a preferred level of SO within an organization with regard to performance. Our findings on the curvilinear influence of CO on PERFB are consistent with the empirical study conducted by Homburg et al. (2010). However, to the best of our knowledge, we believe that this is the only study that considers the curvilinear effect of SO on performance outcomes.

Fifth, our findings also showed that AD, together with other relational constructs (i.e., CO and SO), are highly influenced by the EI of the salesperson. Therefore, our findings support the notion of Spiro and Weitz (1990) who argued that a salesperson's traits, such as empathy, self-motivation and locus of control (meaning encompassing emotional intelligence), are related to the practice of adaptive selling. Moreover, considering the abovementioned complex relationships (especially in terms of relationships including EI that could be double-edged<sup>22</sup> in different situations), not only does this study create a new

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<sup>&</sup>lt;sup>22</sup> A double-edged effect means that emotional intelligence is an ability, where too much of it results in one kind of problem; too little, another. Luckily, we can learn to express the right amount of it (Peter Salovey, 2001). Therefore, it is possible that salespeople who perceive and understand their own emotions may not use or regulate their emotions when serving customers. Similarly, salespeople who perceive and understand customers' emotions may not apply the information to adjusting selling behaviours.

theoretical model that considers previously under-researched topics, but it also examines these topics in two countries through an empirical method using SEM. This finding indicates the importance of a synergistic combination of EI and relational behaviour constructs in order to better explain salesperson performance.

Sixth, the effects of the three dimensions of MJUD are examined individually, since the integrated MJUD construct usually ignores the different magnitudes and directions of its dimensions. That is why we contribute to theory with additional knowledge about moral contingencies, and the direction and strength of their moderating influence on salesperson relational behaviour and performance (which is not the same direction for all concepts). Moreover, the inclusion of moral contingencies in our salesperson performance model contributes to theory in that we emphasize the importance of looking at the relational behaviour of salespersons as part of a particular context in which salespersons embrace moral judgment and use it as a part of their working philosophy.

Given all that is described above in terms of theoretical contribution, we believe that, in general, our largest contribution is the establishment of a model oriented towards the "human-side" of sales jobs. We dare to say that our model is much more a replication of real life examples (which also includes self-interest, moral dilemmas, the exposure and hiding of emotions, frustration, and in general good and bad days in salespersons' tasks), than previous models (which very often took "black-white" positions) that did not give attention to the importance of the individual characteristics of the salesperson, such as their moral judgment and emotional intelligence.

#### 7.2. Methodological contributions

In addition to the theoretical implications of the study discussed above, in terms of methodology, this study has various methodological contributions.

First, one methodological contribution lies in the comprehensive overview of different approaches to measuring sales relational constructs (salesperson behaviour, customer orientation, selling orientation, adaptive selling) and individual characteristics (emotional intelligence and moral judgment). In order to operationalize the constructs and to select appropriate scales we offer an overview of the most commonly used scales that were utilized for measuring the particular construct. Moreover, we offered a systematic overview of improvements made on scales that we selected for usage in this research.

Secondly, we conducted extensive pre-testing (i.e. protocols, debriefings, focus groups, pilot studies explained in Section 4.5) in order to appropriately prepare an instrument for usage in the main study in two non-English speaking countries. Therefore, we closely followed the procedure for doing international research (Craig & Douglas, 2001; Douglas & Nijssen, 2003; Steenkamp et al., 2010) which adds value to our study and its contribution to sales research.

Third, the most important contribution of the dissertation is its rigorous empirical examination of a theoretically proposed model through the use of a wide variety of

methods and techniques. The combination of qualitative and quantitative research methodology represents a methodological contribution of the dissertation. incorporation of qualitative research about the practice of sales on the emerging markets of Bosnia and Herzegovina and Croatia also represents an independent contribution. Qualitative research helped in preparing the measurement instrument and, at the same time, gave us a better view and understanding of the empirically gathered results. The quantitative component of the study included various rigorous empirical examinations (e.g. validity, and reliability analysis, SEM, SEM examination of quadratic effects, curve analysis, mediated SEM, interactions, mediated moderation analysis), which adds to the validity of our implications. This also includes a measurement invariance test that was conducted. Panagopoulos et al. (2011) stated that measurement invariance assessment is well established in the international marketing literature, while there is little coverage of this issue in the sales field. One exception is the work of Reynolds and Simintiras (2000), who examine the impact of various types of cross-cultural equivalence on each stage of the sales negotiation process. Therefore, with our research we address this gap providing groundwork and useful guidelines to other sales scholars for the determination of the universality of constructs and the validity of measures across cultures. Moreover, the implication of the measurement invariance test usage is that we proved that proposed scales (SOCO, ADAPTS, AES, MES-8, Performance) are universal in terms of the present cultural context as well. The most important contribution of the conducted measurement invariance test is that we proved that our model developed in one particular country (in our case Bosnia and Herzegovina) could be transferred and applied to another country (Croatia). Therefore, we believe that this could be also applied to further studies.

Lastly, based on the list of countries examined in prior sales research that was given in the paper by Panagopoulos et al. (2011), this is the first academic sales research conducted in Bosnia and Herzegovina, and Croatia. Therefore, our results will help in advancing the sales theory by expanding the boundaries of research beyond developed markets. Taking advantage of data collection in two the countries, the model was tested on two samples, a calibration sample and a validation sample, as proposed by Diamantopolouos and Siguaw (2000). The applied procedure helped us to assess how well the model replicates the second sample. Considering some of the limitations noted, we could say that the model equally replicates the second sample. This fact has a significant role in strengthening the quality of this study's results, as well as both its theoretical and managerial contributions.

### 7.3. Managerial implications

This study's findings offer several implications for sales managers. In our study, we differentiate between behavioural and outcome salesperson performance, proving that behavioural salesperson performance significantly determents outcome salesperson performance. Therefore, salespeople who perform well in activities important for carrying out the regular sales job, but which are not directly in association with the sales process (i.e., building good relations with customers, as well as management), would have higher outcome performance.

Consequently, this suggests that sales management should put a greater emphasis on

managing salesperson behavioural activities in order to achieve higher salesperson behaviour performance, because this would lead to greater outcome performance. This has significant implications for the critical sales management processes of selecting, training and developing salespeople.

For sales managers, perhaps the most important finding stemming from this study is that differences in salesperson behavioural performance can be explained with relational salesperson behaviour, which is influenced by the emotional intelligence of the individual. Therefore, sales managers should focus on designing individual trainings that would improve the relational behaviour of salespersons. However, sales managers have to understand that it is not enough to work solely on the relational behaviour of salespersons; they should also seek to improve the emotional intelligence of their sales employees through specialized individual trainings. Because earning customer trust is a lengthy process, companies should develop a long-term training plan that fosters salespeople's EI. Nevertheless, sales managers have to be aware of the double-edged effects of EI. EI must be driven by passion or authenticity, rather than by utilitarianism, because surface acting only creates adverse sentiments among customers (Hennig-Thurau, Groth, Paul, & Gremler, 2006).

Nevertheless, we have proven that the attitude that assumes "the-more-CO-the-better" should be abandoned. Sales managers should investigate what is the optimal level of CO that a salesperson should exercise within their company or industry. Moreover, this means that infinite investment in CO education would not result in the infinite improvement of performance. In addition, we prove that a black-and-white perception of the SO and CO relationship is no longer true. Therefore, sales managers should also foster usage of SO and to ask for its usage from salespersons, since customers expect it.

The results of the present study also highlight the fact that AD contributes to salesperson performance as a mediating variable illustrating the important role that it plays in emotional intelligence – the sales performance relationship. Given that adaptive selling is a behaviour obtained through training and company investments in a salesperson (Román & Iacobucci, 2010; Weitz et al., 1986), sales managers should encourage salespeople to develop and implement AD. This can be achieved in several ways. When recruiting and hiring potential salespeople, managers should consider their potential for AD. In addition, managers should develop structured training programmes that inculcate adaptive behavioural skills.

In the recruitment process, human resource managers should also be concerned with the moral judgment that potential employees bring to the company, especially in the present cultural context. The issue about the possibilities of learning ethics dates to Ancient Greece when Socrates explained that ethics consists of knowing what we ought to do, and such knowledge can be taught (Velasquez, Andre, Shanks, & Meyer, 1987). Through this dissertation we also support the notion that ethics can be taught. Therefore, from a personal development perspective, salespersons who want to increase their moral judgment (i.e., which would strengthen their outcome performance) should be given the opportunity to participate in ethics trainings. There are three dimensions of attitudes towards ethics:

moral equity, relativism, and contractualism. Furthermore, each element has a different source. Moral equity is derived from early childhood experience, relativism from adolescence, and contractualism from transaction experiences. Therefore, a company could invest in shaping the contractualism of the individual in terms of sales tasks and personal development plans.

Ford et al. (1987) stated that "best" biological factors in salesperson selection were those concerned with emotional maturity and motivation. Our research supports this notion by proving that emotional intelligence is a significant predictor of salesperson relational behaviour. In addition, if we know that emotional intelligence levels are amenable to measurement and change (Goleman 1995; 1998), this implies that salespeople can improve their emotional intelligence levels. Following the findings of this study, improvement of emotional intelligence would positively influence salespersons relational behavior, which would result in the improvement of their performance. Therefore, it is expected that EI trainings would have a positive impact on performance. However, sales managers should evaluate the emotional intelligence levels of their individual sales representatives and use these evaluations to determine training and development needs and programs. "One size fits all" trainings should be abandoned when they concern emotional intelligence.

In addition, most of our respondents were from SMEs. Panagopoulos et al. (2011) state that SME strategies and processes for selling globally are very different than those of multinationals. For example, SMEs have far less specialization, place more importance on an entrepreneurial spirit, may rely more on outsourced sales forces, and are not likely to adopt information intensive decision processes. Therefore, scholars should understand these differences and what topics may be most relevant to SMEs compared with multinationals. Indeed, since our respondents were mostly from SMEs, we address this gap by making our findings more interesting to SME managers, emphasising the importance of proper recruiting that addresses individual characteristics (Dwyet et la. 1987).

### 7.4. Limitations and further research

Empirical research is imperative in guiding the social sciences. Yet it can be easy to get caught up in statistics and lose a business-reality perspective. Therefore, some limitations of our study are acknowledged. In this section, after discussing particular limitations, further research possibilities that steam directly from the limitations are offered. In addition, at the end of the section, some new venues for further research are provided.

Starting with the beginning of the study, the first limitation could be the vague sampling frame (i.e., an Internet search has been conducted, since a secondary contact database for the selected countries did not exist) that was not limited in scope. The problem that was experienced (not having a secondary contact database) was also recognised by scholars (e.g., Panagopoulos et al., 2011), stating that the use of contact lists may not be applicable in many emerging countries. Moreover, an Internet-based survey was done, meaning that data collection was restricted to B2B salespersons that had access to the Internet. Since salespeople without such access were excluded from the study, this is also seen as a limitation. In addition, it should be acknowledged that the data collection method was

unequally effective across different parts of the countries. The region of the (Western) Balkans is portrayed as a turbulent area, with a history full of skirmishes, wars and frequent changes to its political and geographic maps. As a result some people still have a high animosity towards other nationalities, and it is possible that in some regions we had fewer respondents due to this fact.

Although we used a number of procedural and statistical tools against the potential problems associated with CMV (Podsakoff et al. 2003) we acknowledge the limitations of reliance on single informants for information on both the dependent and independent variables. Moreover, this study used self-reported measures of performance, which can be subjected to various distortions. Podsakoff et al. (1986) suggested that the researcher should obtain multiple measures from different sources and at different points in time in order to minimize the effect of CMV. Due to the time constraints, narrow financial resources and other issues, this suggestion was not considered in our study. However, this could be seen as a potential source of further improvement through gleaning information on salespersons through contact with their customers and their sales managers in order to prevent CMV more effectively.

The AVE value for some constructs in the study was less than ideal. Therefore the conclusions could be limited to some extant due the low AVE values, especially for the PERFB construct. In addition, some variables (SO<sup>2</sup>, ADxREL) were insignificant in Croatia, while significant in Bosnia and Herzegovina. There may be alternative explanations for why this happened. Two samples were not absolutely homogenous in terms of the industry backgrounds, sales experience and other demographical variables of the respondents, which could be one of the reasons. Also, we perhaps could argue that it could be possible to indicate that some macro-economical variables influenced our relationships. Despite their common pasts Bosnia and Herzegovina and Croatia have differences in terms of economical development. Following data obtained from World Bank (2013), Bosnia and Herzegovina has a GNI<sup>23</sup> per capita, PPP<sup>24</sup>, of 9.190,00 USD and it is characterized as an upper middle-income country. At the same time Croatia has a GNI per capita, PPP, of 18.780,00 USD and it is characterized as a high-income country. Knowing that in less-developed countries the overall market is less-developed, lessfragmented, less-competitive, less-profile in demand, and less-segmented (Todaro & Smith, 2012) it could be assumed that the generally lower socio-economic status of BH buyers influenced their acceptance of extreme levels of SO. In that case, it means that in higher income countries buyers are more self-conscious in asking for a more CO-oriented approach at the expense of SO. Therefore, any attempt to generalize the research findings must be undertaken with caution. Further replication is needed to determine how the findings reported here correspond to the results of studies conducted in other environments. It would be advisable to replicate conceptual model with different samples that correspond to the samples used in the present study. Samples from other high-income countries (e.g. Slovenia) and a middle-income country (e.g., Serbia) in the region could be

<sup>&</sup>lt;sup>23</sup> Gross National Income

<sup>&</sup>lt;sup>24</sup> Purchasing Power Parity

used for further replication and refinement of the model. However, it should be kept in mind that the meaning and functioning of constructs can differ substantially across cultures (Panagopoulos et al., 2011). Therefore usage of measurement invariance assessment is advised. Moreover, if one had a decade to test macro-economical variables as potential influencers on relationships in the model, a longitudinal study would be welcome since it would provide stronger inferences (Morgan & Hunt, 1994) in terms of the influence of macro-economical variables on our model.

It is recognized that the usage of an integrated EI construct ignored the different magnitudes and directions of its dimensions. Unfortunately, due to the limited number of respondents per sample and the model's complexity, it was not possible to explore all of the EI dimensions independently. Further research on the influence of EI as a moderator in the relationship between salesperson relational behaviour and salesperson performance is also advised. Researching this moderating effect becomes even more complex if we add that scholars should research how every single component of El moderates selected relationships. However, scholars researching the moderating influence of EI on the relational behaviour - performance relationship should not forget about the possible double-edged effects of EI. Therefore, by doing so we could understand and explore the individual impacts of the four EI dimensions on the relational behaviour - performance relationship. In addition, the implications of that research would allow us to compare the results obtained with aggregate treatment of the EI versus disaggregate treatment. Moreover, Van Rooy and Viswesvaran (2004) empirically proved that the usage of different EI measurement scales results in different levels of the predictive validity for performance outcome. Therefore, future studies may try to analyse the same model by using various scales to measure EI (please see Chapter 4 for an explanation about different EI measurement instruments, such as ECI, EQ-I, MEIS, WLEIS, and EIME). Also, special attention should be devoted to assessing the recently developed, specific-ability-based EIME scale (i.e., Emotional Intelligence in Marketing Exchange) (Kidwell et al., 2011) that tests EI in a sales context. In this manner, scholars may obtain comparative results and improve the generalizability of the findings.

We acknowledge that prior research has shown little evidence of moderators of AD or CO and specific outcome variables (Franke & Park, 2006). Unfortunately, due to the limited number of respondents per sample and the model complexity, it was not possible to explore similar relationships as part of this doctoral dissertation. Therefore, further research could examine EI as a potential moderator of different relationships, such as AD-PERFB, CO-PERFB and SO-PERFO. Therefore, the need for research that would test the moderating influence of AD on the relationship between CO and PERFB (i.e., such as ADxCO) was emphasized.

Last but not least with regard to limitations, every possible construct that could affect salesperson performance was not included in our model. Therefore, inclusion of other constructs in the model is advised. In addition, investigation of other potential variables (as discussed in the text that follows) that could improve the explanatory power of the model is also desirable.

Very often sales plans are made for sales teams, not for individuals. It is acknowledged that in this study we ignored the importance of sales teamwork in the achievement of mutual sales goals. Given that previous empirical studies suggest that SO salespersons have an individual orientation, contrary to CO salespersons that are team oriented, (Jaramillo & Grisaffe, 2009) we belive it is worthwhile to explore the influence of team relational factors (such as: trust in co-workers, organizational commitment, shared values with other salespersons), as well as to include variables such as number of co-workers and personal cooperativeness in working in teams.

Also, because sales is a high-contact service we believe that it is important to deeply explore an argument that physical attractiveness influences customer satisfaction (Keh, Ren, Hill, & Li, 2013). With inclusion of the abovementioned factor in the model we would add to our "human-side oriented mode", because then the model would become more holistic, since it would contain both the emotional and physical aspects of the individual.

In the discussion regarding the moral contingencies we stressed the importance of cultural context and societal norms in shaping the moral judgment of an individual. Vitell and Hidalgo (2006) claimed that in addition to culture and macro-society, organizational culture also plays an important role in the ethical behaviour of employee. We add here that common ethical practice and regulation within the industry would also probably have an important role for the ethical behaviour of a salesperson. Therefore it is believed that the model would gain from the inclusion of variables such as ethical regulation within the industry and ethical regulation within the company.

Additionally, by obtaining data from sales managers, as discussed before, the methodological issues of the study would benefit. However, it is believed that morality constructs could also benefit with sales manager data in our study. It could be argued that sometimes it depends on sales managers if something is considered ethical or not by salespersons. Moreover, Cadogan and Lee (2009) proved that managers and peers shape salespeople's ethical behaviour.

Because of the disadvantages of subjective performance measures (e.g. Rich et al., 1999) that were explained throughout Section 4.3.5., it is advisable to include in the model some objective sales performance measures such as sales productivity, sales force turnover, market performance or financial performance. Additionally, given that quota-based bonuses and commissions are the two most common incentive compensation plans (Kishore, Rao, Narasimhan, & John, 2013), it could be interesting to explore how companies coming from different sectors should handle those in terms of industry, territory, and time period. In this study, the rewards method by outcome based rewards was measured and used solely for control purposes. However, interesting results were obtained that suggested that outcome based controls have a positive and significant influence on outcome performance, while its influence is negative and significant on behavioural performance. Here we call for further research and exploration of this interesting phenomenon that would aim to answer the question: in which circumstances do outcome

based rewards have a positive influence on the total performance of the company in the long run?

As in studies conducted in the past (e.g., Franke & Park, 2006; Jaramillo & Grisaffe, 2009), our model also confirmed that the control variable of sales experience has a positive effect on outcome performance. Therefore, we argue that sales experience should be kept as a control variable in further studies as well. This would improve the comparability of the different studies.

In further research one should not neglect that cultural differences create ethical dilemmas between sales process participants because participants from diverse cultures perceive certain behaviours as either acceptable or unacceptable (Lewicki & Hiam, 2011). There is growing evidence that there are cultural differences in the use and perceived appropriateness of ethically ambiguous personal sales tactics (Elahee, Kirby, & Nasif, 2002; Rivers & Lytle, 2007; Volkema & Fleury, 2002; Volkema, 2004). Therefore, it is believed that intercultural international sales studies are more than welcome, because they would help sales professionals to understand differences in ethical decision-making across cultures, and to minimize feelings of anger and mistrust. Moreover, considering the number of people who suffer from the consequences of unethical practices in business, it is believed that further research should not neglect the inclusion of moral judgment in their model assessment. We hope that that would allow for academia to reach new knowledge needed for the development of effective interventions to discourage unethical sales activities in the future.

It would be beneficial to explore the potential influencers of salesperson relational behaviour in terms of a multidisciplinary approach. For example, Bagozzi et al. (2012) explore genetic and neurological bases for the usage of CO and SO. They explain that genetic biomarkers are inherited and cannot be changed, by definition.

In the end, with this doctoral dissertation we wanted to show that personal selling is far from the only content aligning message, or means of delivering better offers to the satisfy needs of the buyer, or reaching sales quotas, etc. We believe that attempts to remove a strong personal and human dimension from salespeople and restrict the research into opportunities of understanding target buyers would not lead to long term benefits, neither for the company nor for buyers. Personal selling has a very strong human side, which has very often been unfairly ignored. Therefore, our theoretical model supports the importance of the human side of personal selling by emphasizing the primacy of emotions, morality, behaviour and social context. We strongly believe that such a perspective on this alignment is very important for all of us, because, after all:

"We are all in sales now!"

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## **Appendix A: Interview Questions**

#### Introduction

Could you please introduce yourself, your company and regular daily activities within the company? In what industry your company operates? In which markets? How many sales people your company has? In average, for how long do they work for your company?

# 1. Salespeople's relational behaviour in terms of performance

- There is saying: "The customer is always right". Do you agree or disagree? Why?
- What if buyer is not clear about his/her needs? What should salesperson do? What to offer him/her?
- Does salesperson need know what buyer is thinking? Why? How does this affect performance?
- How would you define your salesperson's relationship with buyers in terms of friendliness and professionalism? Does it have an impact on salesperson's performance in your opinion?
- Everything in the world has its pros and cons. Do you introduce cons to your buyer in terms of the product that you offer? How does this affect to salesperson performance?
- Should salesperson develop own style of sales presentations, or he/she should constantly change it? Why? How does this affect to salesperson performance?
- In general, what do you think that influence salespersons performance?

# 2. Individual characteristics of the salespeople in terms of emotional intelligence and moral judgment

- How do you recruit your salespersons? What characteristics you are searching for? Why?
- Is successful salesperson born or made? How? Why?
- For a few moments try to imagine the perfect salesperson and explain what he/she looks like?
- How important is it for a successful salesperson to be able to empathize with buyer? Why? How does this affect to salesperson performance?
- How important is it for a successful salesperson to be able to read buyers' moods? Why? How does this affect to salesperson performance?
- What if buyer says something that makes salesperson really angry? Should salesperson react on it or not? Why? How does this affect to salesperson performance?
- What about morality of the salesperson? Is it important for sales? Why? How does this affect to salesperson performance?
- What about ethical norms that are prescribed in our cultural context, do they influence salesperson behaviour? How does this affect to salesperson performance?

# 3. Additional topics

**Appendix B: Focus Groups Participants' Information** 

|   |      | Focus gro<br>nd Herzeg | -   |     |       |      |     |     |
|---|------|------------------------|-----|-----|-------|------|-----|-----|
|   | Mean | SD                     | Min | Max | Mean  | SD   | Min | Max |
| Years spent on formal education and training about emotional expression and behaviour | 5.69 | 3.32                   | 1   | 12  | 5.75  | 3.01 | 1   | 10  |
| Number of specialized trainings attended on emotional expression and behaviour        | 5.58 | 5.31                   | 0   | 20  | 2.71  | 2.13 | 0   | 5   |
| Time spent in practice (concerning emotional expression and behaviour                 | 7.33 | 4.14                   | 0   | 16  | 18.50 | 6.63 | 12  | 28  |
| Years of experience in management   | 4.00 | 4.06                   | 0   | 12  | 1.86  | 2.03 | 0   | 4   |
| Year of experience in sales   | 3.58 | 5.66                   | 0   | 16  | 4.86  | 7.01 | 0   | 18  |

# **Appendix C: Invitation Letter**







Poštovani gospodine Manojlović,

Kao dio empirijskog istraživanja za potrebe doktorske disertacije na Ekonomskom fakultetu u Ljubljani, a uz resursnu podršku Ekonomskog fakulteta u Sarajevu, provodi se istraživanje na temu "PRODAJA KAO PROFESIJA". Zahvaljujući rezultatima ovog istraživanja, bit ćemo u prilici ponuditi odgovor na jedno od najvažnijih pitanja moderne ekonomije: kako unaprijediti ličnu učinkovitost prodajnog osoblja.

Pozivamo Vas da odgovarajući na pitanja iz upitnika, dostupna na linku: <a href="http://www.efsa.unsa.ba/~nir/index.php?lang=bs&sid=96733&token=ii8iq">http://www.efsa.unsa.ba/~nir/index.php?lang=bs&sid=96733&token=ii8iq</a> date značajan doprinos koji je ujedno i najvažniji čimbenik uspješnog okončanja projekta. Ukoliko, odlučite da pomognete ovaj naučno-istraživački rad, kao djelimičnu kompenzaciju za uloženo dragocjeno vrijeme možemo Vam ponuditi menadžerski sažetak istraživanja.

Pitanja u upitniku su zahtjevna i u pojedinim dijelovima osjetljiva. Ipak, ne postoje pitanja sa tačnim i netačnim odgovorom, nego samo Vaše osobno mišljenje, koje ni na koji način ne može biti tumačeno kao stav kompanije u kojoj ste zaposleni. Svi podaci dobijeni upitnikom biće tretirani kao poslovna tajna.

S poštovanjem i zahvalnošću,

# Selma Kadić, MBA

Viši asistent Ekonomski fakultet u Sarajevu Trg oslobođenja 1, 71000 Sarajevo Tel: 033 275 947

E-mail: selma.kadic@efsa.unsa.ba

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## **Appendix D: Survey in Bosnian Language (Pilot Study)**







#### UPITNIK

Ovaj upitnik je dio empirijskog istraživanja za potrebe doktorske disertacije na Ekonomskom fakultetu u Ljubljani uz resursnu podršku Ekonomskog fakulteta u Sarajevu, koje se provodi u Bosni i Hercegovini i Republici Hrvatskoj. Zahvaljujući rezultatima istraživanja, bit ćemo u prilici ponuditi odgovor na jedno od najvažnijih pitanja moderne ekonomije: kako unaprijediti ličnu učinkovitost prodajnog osoblja. Odgovarajući na pitanja iz upitnika dajete značajan doprinos koji je ujedno i najvažniji čimbenik uspješnog okončanja projekta.

Molimo Vas da čak i ako niste sigurni koji od ponuđenih odgovora najbolje odražava Vaš stav, ipak napravite odabir, te odgovorite na sva pitanja. Čak i približna refleksija Vašeg stava ima neusporedivo veću korist nego neodgovoreno pitanje. U upitniku ne postoje pitanja sa tačnim i netačnim odgovorom, nego samo Vaše osobno mišljenje. Molimo Vas da anketu popunite u potpunosti, sa stanovišta Vašeg ličnog mišljenja, baziranog na situacijama iz svakodnevne poslovne prakse.

Moguće je da Vam se, tokom popunjavanja upitnika, učini da se pitanja djelomično ponavljaju. Razlog tome su metodološka pravila koja smo morali poštovati, te Vas ljubazno molimo da ipak odgovorite i na takva pitanja.

Svi podaci dobijeni upitnikom biće tretirani kao poslovna tajna.

Hvala Vam na pomoći!

Zamislite tipičnog prodajnog predstavnika u Vašoj kompaniji, nazovimo ga Goran. Koristeći niže navedenu skalu, ocijenite koliko precizno svaka izjava predstavlja Vaše lično mišljenje prema Goranovom ponašanju, ali imajući na umu <u>POSLOVNO</u>

<u>OKRUŽENJE</u> sa kojim se Vi i Goran svakodnevno susrećete.<sup>1</sup>

Goran mora ispuniti godišnji plan u iznosu od 100.000 EUR. Tokom posljednjeg mjeseca, Goran je 5.000 EUR ispod plana. Da bi ispunio plan, Goran kontaktira poznatog kupca preuveličavajući problem. Od njega traži narudžbu u iznosu od 5.000 EUR ili u protivnom neće biti u mogućnosti da mu ubuduće prodaje proizvode po sadašnjim cijenama. Kao rezultat, Goran dobija narudžbu i ispunjava plan.

|     |  |         |        | ļī:   | zmeđi | J.   |      |         |        |                                 |
|-----|--|---------|--------|-------|-------|------|------|---------|--------|---------------------------------|
| S31 | Pošteno                                  | 1       | 2      | 3     | 4     | No.  | 5    | 6       | 7      | Nepošteno                       |
| S32 | Pravedno                                 | 1       | 2      | 3     | 4     | 1    | 5    | 6       | 7      | Nepravedno                      |
| S33 | Tradicionalno prihvatljivo               | 1       | 2      | 3     | 4     | 1 8  | 5    | 6       | 7      | Tradicionalno neprihvatljivo    |
| S34 | Moralno ispravno                         | 1       | 2      | 3     | 4     | 1    | 5    | 6       | 7      | Moralno neispravno              |
| S35 | Kulturalno prihvatljivo                  | 1       | 2      | 3     | 4     | 1 8  | 5    | 6       | 7      | Kulturalno neprihvatljivo       |
| S36 | Prihvatljivo u mojoj porodici            | 1       | 2      | 3     | 4     | 1    | 5    | 6       | 7      | Neprihvatljivo u mojoj porodici |
| S37 | Narušava nepisani ugovor                 | 1       | 2      | 3     | 4     | i    | 5    | 6       | 7      | Ne narušava nepisani ugovor     |
| S38 | Narušava neizrečeno obećanje             | 1       | 2      | 3     | 4     | i    | 5    | 6       | 7      | Ne narušava neizrečeno obećanje |
| S39 | Da li biste postupili kao Goran da ste ' | Vi bili | na nje | govom | mjes  | tu ı | u Sc | enariju | ı 3? ( | 1=apsolutno ne 7=apsolutno da)  |

| Ans   | olutno se ne Djelomično se ne Djelomično se   | Apsolutno se   |
|---|---|--|
| io Res  | slažem Ne slažem se slažem Neutralan sam slažem Slažem se   | slažem   |
|   | 1 2 3 4 5 6   | 7  |
| AEI12   | Znam kada sa drugima trebam pričati o mojim ličnim problemima.  | 1 2 3 4 5 6  |
| AEI2  | Kada se susretnem sa problemom, pomislim kako sam i prije imao/la probleme ali sam ih prevazišao/la.  | 1 2 3 4 5 6  |
| AEI3  | Očekujem da ću uraditi dobro većinu stvari koje pokušam.  | 123456   |
| AEI4  | Drugi ljudi se vrlo lako uzdaju u mene.   | 123456   |
| AEI5  | Teško mi je razumjeti neverbalne poruke drugih ljudi. (-)   | 123456   |
| AEI6  | Neki od najbitnijih događaja u mom životu su me naveli da ponovno razmislim o tome šta je zaista bitno, a šta nije.   | 1 2 3 4 5 6  |
| AEI7  | Kada mi se promijeni raspoloženje vidim nove mogućnosti.  | 123456   |
| AEI8  | Emocije su ono što čini moj život vrijednim življenja.  | 123456   |
| AEI9  | UVIJEK sam svjestan/a svojih emocija koje proživljavam.   | 123456   |
| AEI10   | UVIJEK očekujem da će se desiti dobre stvari.   | 123456   |
| AEI11   | Volim da pričam drugim ljudima kako se osjećam.   | 123456   |
| AEI12   | Kada sam u pozitivnom raspoloženju znam što mi je činiti kako bi to raspoloženje potrajalo.   | 123456   |
| AEI13   | Organiziram događaje na kojima znam da će drugi uživati.  | 1 2 3 4 5 6  |
| AEI14   |   |  |
|   | UVIJEK tražim nove aktivnosti koje će me usrećiti.  |  |
| AEI15   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.   | 1 2 3 4 5 6  |
| AEI15<br>AEI16<br>Molimo Va   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  | 1 2 3 4 5 6  |
| AEI15<br>AEI16<br>Molimo Va   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6  |
| AEI15<br>AEI16<br>Molimo Va   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  | 1 2 3 4 5 6<br>1 2 3 4 5 6<br>lutno se slažem  |
| AEI15<br>AEI16<br>Molimo Va<br>1 = Apsolu<br>AEI17<br>AEI18   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  7 = Apso  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  | 1 2 3 4 5 6<br>1 2 3 4 5 6<br>lutno se slažem<br>1 2 3 4 5 6<br>1 2 3 4 5 6  |
| AEI15<br>AEI16<br>Molimo Va<br>1 = Apsolu<br>AEI17<br>AEI18<br>AEI19  | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  7 = Apso  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.   | 1 2 3 4 5 6<br>1 2 3 4 5 6<br>lutno se slažem<br>1 2 3 4 5 6<br>1 2 3 4 5 6<br>1 2 3 4 5 6   |
| AEI15<br>AEI16<br>Molimo Va<br>1 = Apsolu<br>AEI17<br>AEI18<br>AEI19<br>AEI20   | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.   | 1 2 3 4 5 6<br>1 2 3 4 5 6<br>lutno se slažem<br>1 2 3 4 5 6<br>1 2 3 4 5 6   |
| AEI15 AEI16  Molimo Valle Apsolution AEI17 AEI18 AEI19 AEI20 AEI21  | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6<br>1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI21  | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6<br>1 2 3 4 5 6<br>0lutno se slažem<br>1 2 3 4 5 6<br>1 2 3 4 5 6   |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23  | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.  Mogu da kontroliram svoje emocije.  Lako mi je prepoznati emocije koje osjećam.  Motiviram sebe tako što zamislim da će zadatak koji obavljam imati dobar rezultat.  | 1 2 3 4 5 6<br>1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  1 = Apsolu  AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24                                       | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.  Mogu da kontroliram svoje emocije.  Lako mi je prepoznati emocije koje osjećam.  Motiviram sebe tako što zamislim da će zadatak koji obavljam imati dobar rezultat.  UVIJEK pohvalim druge kada dobro obave svoj zadatak.  | 1 2 3 4 5 6<br>1 2 3 4 5 6   |
| AEI15 AEI16  Molimo Va  1 = Apsolu  AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25                                 | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  7 = Apsc  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.  Mogu da kontroliram svoje emocije.  Lako mi je prepoznati emocije koje osjećam.  Motiviram sebe tako što zamislim da će zadatak koji obavljam imati dobar rezultat.  UVIJEK pohvalim druge kada dobro obave svoj zadatak.  Svjestan/a sam neverbalnih poruka koje šalju drugi ljudi.   | 1 2 3 4 5 6 1 2 3 4 5 6  1 2 3 4 5 6  1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  1 = Apsolu  AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26                           | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6<br>1 2 3 4 5 6                                      |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26                            | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  7 = Apsc  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.  Mogu da kontroliram svoje emocije.  Lako mi je prepoznati emocije koje osjećam.  Motiviram sebe tako što zamislim da će zadatak koji obavljam imati dobar rezultat.  UVIJEK pohvalim druge kada dobro obave svoj zadatak.  Svjestan/a sam neverbalnih poruka koje šalju drugi ljudi.  Kada mi neko govori o bitnom događaju koji mu/joj se dešava u životu, osjećam se kao da i ja proživljavam taj događaj.  UVIJEK kada osjetim promjenu u svojim emocijama, smislim novu ideja.   | 1 2 3 4 5 6 1 2 3 4 5 6  1 2 3 4 5 6  1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26 AEI27 AEI28                | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6 1 2 3 4 5 6  1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6 1 2 3 4 5 6   |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26                            | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  "T = Apsc  Kada sam pozitivno raspoložen/a, lakše rješavam probleme.  Posmatrajući izraze lica ljudi mogu da prepoznam njihove emocije.  Znam zašto se moje emocije mijenjaju.  Kada sam pozitivno raspoložen/a UVIJEK smislim nešto novo.  Mogu da kontroliram svoje emocije.  Lako mi je prepoznati emocije koje osjećam.  Motiviram sebe tako što zamislim da će zadatak koji obavljam imati dobar rezultat.  UVIJEK pohvalim druge kada dobro obave svoj zadatak.  Svjestan/a sam neverbalnih poruka koje šalju drugi ljudi.  Kada mi neko govori o bitnom događaju koji mu/joj se dešava u životu, osjećam se kao da i ja proživljavam taj događaj.  UVIJEK kada osjetim promjenu u svojim emocijama, smislim novu ideja.  Kada se susretnem sa bilo kakvim izazovom, NIKADA ne odustajem, jer znam da ću na kraju | 1 2 3 4 5 6 1 2 3 4 5 6  1 2 3 4 5 6 |
| AEI15 AEI16  Molimo Va  I = Apsolu AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26 AEI27 AEI28                | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  I = Apsolu  AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26  AEI27 AEI28  AEI29       | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6  |
| AEI15 AEI16  Molimo Va  I = Apsolu  AEI17 AEI18 AEI19 AEI20 AEI21 AEI22 AEI23 AEI24 AEI25 AEI26  AEI27 AEI28  AEI29 AEI30 | Svjestan/a sam neverbalnih poruka koje šaljem drugim ljudima.  UVIJEK predstavljam sebe na način koji će ostaviti dobar utisak kod drugih.  as da nastavite sa slijedećom grupom pitanja koristeći istu skalu, u kojoj je:  utno se ne slažem;  | 1 2 3 4 5 6 1 2 3 4 5 6  1 2 3 4 5 6             |

# U ovom dijelu upitnika, molimo Vas da označite odgovor o emocijama na licima ljudi prikazanim kroz fotografije. EIME1 U kojoj mjeri je "tuga" prisutna na licu osobe na fotografiji lijevo:



- 1. Uopšte nije prisutna
- 2. Blago je prisutna
- 3. Srednje je prisutna
- 4. Prilično je prisutna
- 5. Maksimalno prisutna



### EIME2 U kojoj mjeri je "iznenađenje" prisutno na licu osobe na fotografiji lijevo:

- 1. Uopšte nije prisutno
- 2. Blago je prisutno
- 3. Srednje je prisutno
- 4. Prilično je prisutno
- 5. Maksimalno prisutno

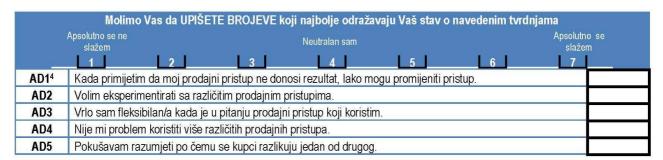


#### EIME3 U kojoj mjeri je "strah" prisutan na licu osobe na fotografiji lijevo:

- 1. Uopšte nije prisutan
- 2. Blago je prisutan
- 3. Srednje je prisutan
- 4. Prilično je prisutan
- 5. Maksimalno prisutan

| Molimo V    | as da označite koliko korisna može biti svaka od navedenih EMOCIJA u pojed   | linim sit         | uacijam         | a.                 |                     |                    |
|-------------|--|-------------------|-----------------|--------------------|---------------------|--------------------|
| Koliko kori | sno može biti<br>(označite kolonu koja se odnosi na svako pitanje posebno)   | Nimalo<br>korisno | Malo<br>korisno | Srednje<br>korisno | Prilično<br>korisno | Potpuno<br>korisno |
| EIME4       | osjetiti "neprijateljstvo" u razgovoru sa ljutitim nadređenim?               |                   |                 |                    |                     |                    |
| EIME5       | osjetiti "uznemirenost" prilikom utvrđivanja potreba kupca?                  |                   |                 |                    |                     |                    |
| EIME6       | osjetiti "krivnju" prilikom uvjeravanja kupca da obavi skupu kupovinu?       |                   |                 |                    |                     |                    |
| EIME7       | osjetiti "frustraciju" tokom pregovora sa nadređenim o vlastitim primanjima? |                   |                 |                    |                     |                    |

| EIME/    | osjetiti "frustraciju" tokom pregovora sa nadređenim o vlastitim primanjima?  |
|----------|---|
|          |   |
| Molimo \ | /as da označite EMOCIONALNI ODGOVOR koji će osoba najvjerovatnije osjetiti ako se nađe u situacijama opisanim u     |
| nastavku | l.  |
| EIME8    | Aida najbolje radi kada je njen nadređeni pusti da radi onako kako ona misli da je najbolje. Onog trenutka kada joj |
|          | nadređeni počne određivati njene aktivnosti, Aida se osjeća   |
|          | 1. zadovoljno   |
|          | 2. razočarano   |
|          | 3. opušteno   |
|          | 4. frustrirano  |
|          | 5. kao da je pogriješila  |
| EIME9    | Čovjek je ušao u prodavnicu elektronske opreme opušten. Kasnije je osjetio uznemirenost. Šta se desilo u            |
|          | međuvremenu?  |
|          | 1. Prišao mu je agresivan prodavač.   |
|          | 2. Vidio je starog prijatelja kojeg nije vidio godinama.  |
|          | 3. Bio je uslužen od strane kasirke, koja mu se učinila poznata.  |
|          | 4. Pronašao je alternativni proizvod koji mu se svidio skoro kao i onaj koji je prvobitno tražio.                   |
|          | 5. Nije mogao pronaći model mobilnog telefona koji je tražio  |
| EIME10   | Kupac je bio zainteresiran za kupnju, ali je prodajni objekat napustio postiđen. Šta se desilo u međuvremenu?       |
|          | 1. Kupac je primio kratki telefonski poziv.   |
|          | 2. Kupac je shvatio da nema dovoljno sredstava da obavi kupovinu.   |
|          | 3. Kupac je shvatio da bi trebao uporediti cijene prije kupovine.   |
|          | 4. Kupac je shvatio da u stvari nije zainteresiran za kupovinu.   |
|          | 5. Kupac je nastavio sa traženjem više informacija o proizvodu.   |



| Razmisl | ite kako bi Vaš nadređeni ocijenio Vaše prodajne aktivnosti (navedene u nastavku) u posljednjih 12<br>ih sa prodajnim aktivnostima ostalog prodajnog osoblja u kompaniji. | mjeseci, poredeći                 |
|---------|---|-----------------------------------|
| Ň       |   | oolje od ostalog                  |
|         |   | g osoblje u kompaniji<br><b>7</b> |
| OP15    | Moja učinkovitost da prodam one proizvode koji imaju veće prodajne marže.   | 1234567                           |
| OP2     | Moja učinkovitost da ostvarim veću količinu prodaje na mojoj teritoriji.  | 1234567                           |
| OP3     | Moja učinkovitost da brzo prodam nove proizvode moje kompanije.   | 1234567                           |
| OP4     | Moja učinkovitost da obezbijedim veće tržišno učešće mojoj kompaniji na teritoriji koju pokrivam.   | 1234567                           |
| BP16    | Moja sposobnost dostavljanja pravih informacija menadžmentu kompanije.  | 1234567                           |
| BP2     | Moja sposobnost održavanja dobrih odnosa sa kupcima.  | 1234567                           |

| J        | Apsolutno se ne<br>slažem | Vas da OFISETE   | . DIXOULUL KOJI I     | i <b>ajbolje odražava</b><br>Neutralan sam | ju vase illisijelije | o naveuenim tv | Apsolutno<br>se slažem |
|----------|---------------------------|--|-----------------------|--|----------------------|----------------|------------------------|
|          | 1                         | 2  | 3                     | 4  |                      |                | <b>7</b>               |
| SDR17    | S vremena                 | na vrijeme volim   | račati.               |  |                      |                |                        |
| SDR2     | Nikada nisa               | am namjerno reka   | o/la nešto što mož    | že povrijediti nečije                      | osjećaje.            |                |                        |
| SDR3     | Uvijek ću p               | riznati kada pogrij  | ešim.                 |  |                      |                |                        |
| SDR4     | U nekoliko                | navrata sam iskor  | istio/la neke ljude   |  |                      |                |                        |
| SDR5     | Ponekad se                | e trudim da se osv   | etim, prije nego d    | a zaboravim i opro                         | stim.                |                |                        |
| SDR6     | Ponekad za                | aista insistiram da  | se stvari budu po     | mome.                                      |                      |                |                        |
| E1       | Moje kolege               | e bi me opisale ka   | o eksperta u prod     | aji.                                       |                      |                |                        |
| E2       | Tokom moj                 | e profesionalne ka   | arijere, pohađao/la   | a sam veliki broj tre                      | eninga iz oblasti pr | odaje.         |                        |
| E3       | Uživam rad                | leći u prodaji, upo  | znavajući ljude i n   | jihove jedinstvene                         | poglede i perspek    | tive.          |                        |
| E4       | Opis mog ra               | adnog mjesta me  | čini kvalificirnim/no | om da odgovaram                            | na pitanja o proda   | aji.           |                        |
| Socio-de | mografski po              | odaci i druga pita   | inja vezana za pr     | odaju                                      |                      |                |                        |
| D1       | Kojeg ste s               |  |                       | М  |                      |                |                        |
| D2       |                           | e ste rođeni? 19_  |                       |  |                      |                |                        |
| D3       | Koji je Vaš               |  |                       |  |                      |                |                        |
|          | 1.                        | Slobodan/a   |                       |  |                      |                |                        |
|          | 2.                        | U vezi   |                       |  |                      |                |                        |
|          | 3.<br>4.                  | Živim sa partn   |                       |  |                      |                |                        |
|          | 4.<br>5                   | Oženjen/Udata<br>Razveden/a ili  |                       |  |                      |                |                        |
| D4       |                           | ALLOWS COLUMN TO A PROPERTY OF | o formalno obrazo     | vanie?                                     |                      |                |                        |
|          | 1.                        | Srednja škola  | o formalifo obrazo    | ruanjo:                                    |                      |                |                        |
|          | 2.                        | Fakultet   |                       |  |                      |                |                        |
|          | 3.                        | Magisterij   |                       |  |                      |                |                        |
|          | 4.                        | Doktorat   |                       |  |                      |                |                        |

| D5                | U kojoj zemlji ste zaposleni?   |
|-------------------|---|
|                   | 1. Bosna i Hercegovina  |
|                   | 2. Hrvatska<br>3. Slovenija   |
|                   | 4. Zemlje EU  |
|                   | 5. Druge zemlje koje ne pripadaju EU  |
| D6                | Koliko ukupno godina radite u prodaji (u svim industrijama u kojima ste radili)?godina (zaokruženo na cijeli broj)  |
| D7                | Koliko godina radite u ovoj kompaniji? godina (zaokruženo na cijeli broj)   |
| D8                | Koliko godina postoji kompanija za koju trenutno radite?  |
| D98               | Koliko ukupno zaposlenih ima kompanija u kojoj radite?  1. Micro < 10 2. SE od 11 – 50 3. ME od 51 – 249 4. LE preko 250                                    |
|                   | Koja je osnovna aktivnost Vaše kompanije gledajući na standardnu klasifikaciju aktivnosti koja je ponuđena u nastavku?                                      |
| D409              | Poljoprivreda, šumarstvo i ribarstvo     Rudarstvo i vađenje ruda     Proizvodnja   |
| D10 <sup>9</sup>  | <ol> <li>Opskrba električnom energijom, plinom i klimatizacijom</li> <li>Opskrba vodom, kanalizacija, upravljanje otpadom i sanacione aktivnosti</li> </ol> |
|                   | 6. Građevinarstvo   |
|                   | 7. Trgovina na veliko i na malo; popravak motornih vozila i motocikla   |
|                   | 8. Smještajne, prehrambene i uslužne djelatnosti  |
|                   | 9. Transport i skladištenje   |
|                   | 10. Informacijske i komunikacijske usluge   |
|                   | 11. Finansije i osiguranje  |
|                   | 12. Nekretnine<br>13. Stručne, naučne i tehničke djelatnosti  |
|                   | 14. Usluge administracije i podrške   |
|                   | 15. Javna uprava, odbrana, obvezno socijalno osiguranje   |
|                   | 16. Obrazovanje   |
|                   | 17. Zdravlje i socijalna skrb   |
|                   | 18. Umjetnost, zabava i rekreacija  |
|                   | 19. S. Ostale uslužne djelatnosti   |
| D11               | Prodajete:  |
|                   | A. Primarno robu/proizvode  |
|                   | B. Primarno usluge  |
| D12 <sup>10</sup> | Koja je Vaša pozicija u kompaniji?  |
|                   | A. Predsjednik prodajne funkcije (na nivou multinacionalne kompanije)   |
|                   | B. Direktor kompanije   |
|                   | C. Direktor prodaje na državnom nivou   |
|                   | D. Lokalni (teritorijalni) prodajni menadžer  |
|                   | E. Prodajni predstavnik (savjetnik) F. Drugo (molimo upišite)   |
|                   | 1. Brago (monino apisite)   |

| D13 | Približno, koliki procent Vaših ličnih prihoda u 2011. ste ostvarili po osnovu:  % fiksne plate % provizije   |
|-----|---|
|     | % bonusa  |
|     | Σ100%   |
| D14 | Koliko je u prosjeku iznosila Vaša NETO mjesečna plaća u prošloj godini? ( valuta)  |
| D15 | Ako imate komentar, možete ga podijeliti sa nama. Ukoliko želite da dobijete menadžerski izvještaj o provedenom istraživanju, molimo Vas da ostavite svoju e-mail adresu. |

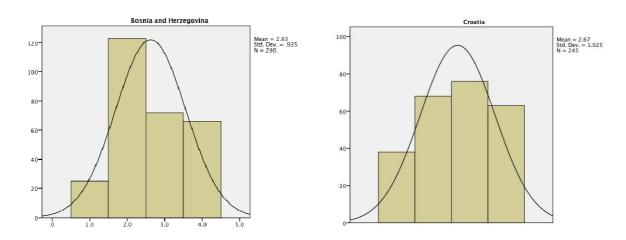
# **OVO JE KRAJ UPITNIKA!**

Hvala Vam mnogo na odvojenom vremenu i značajnom doprinosu koji ste dali ovom istraživanju.

# **Appendix E: Monthly Income of Respondents**

| Bosnia and Herzegovina |     |     |     |       | Croat  | Croatia |     |     |       |        |  |  |
|------------------------|-----|-----|-----|-------|--------|---------|-----|-----|-------|--------|--|--|
|                        | N   | Min | Max | Mean  | SD     | N       | Min | Max | Mean  | SD     |  |  |
| % of fixed salary      | 249 | 5   | 100 | 85.56 | 18.496 | 176     | 4   | 100 | 77.73 | 22.881 |  |  |
| % of commission        | 249 | 0   | 80  | 4.75  | 11.13  | 176     | 0   | 90  | 11.45 | 17.051 |  |  |
| % of bonuses           | 249 | 0   | 90  | 9.69  | 13.453 | 176     | 0   | 96  | 10.81 | 14.722 |  |  |

# **Appendix F: Histogram of Company Size**



Note: 1 - < 10 employees, 2 - from 11 - 50 employees, 3 from 51 - 249, 4 - from 250 employees

Appendix G: Descriptive Statistics of Items (Bosnia and Herzegovina)

| Items   | N   | Min | Max | Mean  | St.    | Skewness | Kurtosis |
|---|-----|-----|-----|-------|--------|----------|----------|
|   |     |     |     |       | Dev.   |          |          |
| S3_1 Fair   Unfair  | 286 | 1   | 7   | 4.90  | 1.899  | 500      | 769      |
| S3_2 Just   Unjust  | 286 | 1   | 7   | 5.02  | 1.778  | 531      | 618      |
| S3_3 Traditionally acceptable   Traditionally unacceptable  | 286 | 1   | 7   | 4.12  | 1.990  | 034      | -1.107   |
| S3_4 Morally right   Not morally right  | 286 | 1   | 7   | 5.42  | 1.860  | 962      | 162      |
| S3_5 Culturally acceptable   Culturally unacceptable  | 286 | 1   | 7   | 4.60  | 1.963  | 359      | 953      |
| S3_6 Acceptable to my family   Unacceptable to my family  | 286 | 1   | 7   | 5.58  | 1.858  | -1.164   | .215     |
| S3_7 Violates an   Does not violate an unwritten contract   | 286 | 1   | 7   | 4.35  | 2.176  | 239      | -1.268   |
| S3_8 Violates an   Does not violate an unspoken promise   | 286 | 1   | 7   | 4.33  | 2.212  | 200      | -1.308   |
| AEI13 I am aware of my emotions as I experience them.   | 286 | 2   | 7   | 5.56  | 1.188  | 884      | .564     |
| AEI17 When I am in a positive mood, solving problems is easy for me.  | 286 | 1   | 7   | 6.14  | 1.273  | -2.171   | 5.197    |
| AEI20 When I am in a positive mood, I am able to come up with new ideas.  | 286 | 1   | 7   | 5.45  | 1.283  | -1.039   | 1.456    |
| AEI24 I compliment others when they have done something well.   | 286 | 1   | 7   | 5.64  | 1.039  | 926      | 1.574    |
| AEI28 When I am faced with a challenge, I never give up because I know I will be successful                       | 286 | 2   | 7   | 5.58  | 1.196  | 851      | .460     |
| AEI29 I know what other people are feeling just by looking at the   | 286 | 1   | 7   | 4.72  | 1.313  | 753      | .407     |
| AEI30 I help other people feel better when they are down.   | 286 | 1   | 7   | 5.50  | 1.175  | -1.052   | 1.132    |
| AEI31 I use good moods to help myself keep trying in the face of obstacles.                                       | 286 | 2   | 7   | 5.88  | .927   | 927      | 1.074    |
| AEI32 I can tell how people are feeling by listening to the tone of their voice.                                  | 286 | 1   | 7   | 5.20  | 1.214  | 964      | 1.288    |
| CO1 I try to figure out what a customer's needs are.  | 286 | 1   | 9   | 7.67  | 1.722  | -1.776   | 3.032    |
| CO2 I always have the customer's best interest in mind.   | 286 | 1   | 9   | 7.52  | 1.514  | -1.705   | 3.516    |
| CO3 I try to bring a customer with a problem together with a product/service that helps solve that problem.       | 286 | 1   | 9   | 8.08  | 1.234  | -2.187   | 6.706    |
| CO4 I offer the product/service that is best suited to the customer's problem.                                    | 286 | 3   | 9   | 8.03  | 1.130  | -1.775   | 4.674    |
| CO5 I try to find out what kind of products/services will be most helpful to a customer.                          | 286 | 1   | 9   | 8.00  | 1.217  | -1.894   | 5.562    |
| SO1 I try to sell as much as I can rather than to satisfy a customer.   | 286 | 1   | 9   | 2.98  | 2.103  | 1.315    | .769     |
| SO2 It is necessary to stretch the truth in describing a product to a customer.                                   | 286 | 1   | 72  | 16.23 | 15.358 | 1.305    | 1.048    |
| SO3 I try to sell a customer all I can convince them to buy, even if that is more than a wise customer would buy. | 286 | 1   | 9   | 3.80  | 2.399  | .604     | -1.018   |
| SO4 I paint too rosy a picture of my product/service to make them sound as good as possible.                      | 286 | 1   | 9   | 4.59  | 2.643  | .204     | -1.394   |
| SO5 I decide what product/service to offer on the basis of what I can convince customers to accept                | 286 | 1   | 9   | 3.04  | 2.068  | 1.279    | .658     |
| AD1 When I feel that my sales approach is not working, I can easily change to another approach.                   | 286 | 1   | 7   | 5.78  | 1.405  | -1.497   | 2.120    |
| AD2 I like to experiment with different sales approaches.   | 286 | 1   | 7   | 5.26  | 1.564  | -1.024   | .593     |
| AD3 I am very flexible in the selling approach I use.   | 286 | 1   | 7   | 5.79  | 1.252  | -1.548   | 2.908    |
| AD4 I can easily use a wide variety of selling approaches.  | 286 | 1   | 7   | 5.86  | 1.311  | -1.563   | 2.509    |
| AD5 I try to understand how one customer differs from another.  | 286 | 1   | 7   | 6.16  | .997   | -2.111   | 7.320    |

| OP1 My performance to sell products with higher profit margins.                           | 286 3 | 7 | 5.52 | 1.250 | 116    | -1.521 |
|---|-------|---|------|-------|--------|--------|
| OP2 My performance to generate a high dollar amount of sales in my territory.             | 286 3 | 7 | 5.69 | 1.187 | 317    | -1.371 |
| OP3 My performance to quickly generate sales of new company products.                     | 286 1 | 7 | 5.41 | 1.261 | 129    | 999    |
| OP4 My performance to produce a high market share for my company in my territory.         | 286 1 | 7 | 5.67 | 1.216 | 458    | 764    |
| BP1 My ability in providing effective information to management.                          | 286 1 | 7 | 6.00 | 1.129 | -1.099 | 1.123  |
| BP2 My ability in customer relations.   | 286 3 | 7 | 6.32 | .932  | -1.328 | .924   |
| SDR1 I like to gossip at times.   | 286 1 | 7 | 3.27 | 1.632 | .247   | 780    |
| SDR2 I have never deliberately said something that hurt someone's feelings.               | 286 1 | 7 | 5.06 | 1.958 | 689    | 854    |
| SDR3 I'm always willing to admit it when I make a mistake.                                | 286 1 | 7 | 5.72 | 1.264 | -1.107 | .902   |
| SDR4 There have been occasions when I took advantage of someone.                          | 286 1 | 7 | 3.24 | 1.832 | .295   | -1.084 |
| SDR5 I sometimes try to get even rather than forgive and forget.                          | 286 1 | 7 | 2.72 | 1.880 | .887   | 361    |
| SDR6 At times, I have really insisted on having things my own way.                        | 286 1 | 7 | 4.97 | 1.606 | 917    | .233   |
| ELIGIB1 My colleagues would describe me as an expert in sales.                            | 286 1 | 7 | 5.28 | 1.158 | 474    | .532   |
| ELIGIB2 During my professional career I have attended a number of sales trainings.        | 286 1 | 7 | 4.80 | 1.808 | 632    | 602    |
| ELIGIB3 I enjoy working in sales, meeting people and their unique perspectives and views. | 286 1 | 7 | 5.97 | 1.100 | -1.292 | 2.390  |
| ELIGIB4 My job role qualifies me to answer questions about the sales.                     | 286 1 | 7 | 6.22 | 1.005 | -1.841 | 4.789  |

# **Appendix H: Descriptive Statistics of Items (Croatia)**

| Items   | N   | Min | Max | Mean | St.   | Skewness | Kurtosis |
|---|-----|-----|-----|------|-------|----------|----------|
|   |     |     |     |      | Dev.  |          |          |
| S3_1 Fair   Unfair  | 245 | 1   | 7   | 4.92 | 1.767 | 504      | 625      |
| S3_2 Just   Unjust  | 245 | 1   | 7   | 5.04 | 1.648 | 507      | 546      |
| S3_3 Traditionally acceptable   Traditionally unacceptable  | 245 | 1   | 7   | 4.22 | 1.824 | 116      | 874      |
| S3_4 Morally right   Not morally right  | 245 | 1   | 7   | 5.43 | 1.565 | 849      | .028     |
| S3_5 Culturally acceptable   Culturally unacceptable  | 245 | 1   | 7   | 4.64 | 1.863 | 353      | 899      |
| S3_6 Acceptable to my family   Unacceptable to my family  | 245 | 1   | 7   | 5.34 | 1.724 | 788      | 329      |
| S3_7 Violates an   Does not violate an unwritten contract   | 245 | 1   | 7   | 4.22 | 2.020 | 104      | -1.149   |
| S3_8 Violates an   Does not violate an unspoken promise   | 245 | 1   | 7   | 4.26 | 2.007 | 125      | -1.106   |
| AEI13 I am aware of my emotions as I experience them.   | 245 | 1   | 7   | 5.76 | 1.171 | -1.218   | 1.923    |
| AEI17 When I am in a positive mood, solving problems is easy for me.  | 245 | 1   | 7   | 5.31 | 1.246 | -1.038   | 1.157    |
| AEI20 When I am in a positive mood, I am able to come up with new ideas.  | 245 | 1   | 7   | 5.07 | 1.252 | 872      | 1.084    |
| AEI24 I compliment others when they have done something well.   | 245 | 1   | 7   | 6.12 | 1.141 | -1.987   | 5.167    |
| AEI28 When I am faced with a challenge, I never give up because I know I will be successful                       | 245 | 1   | 7   | 5.30 | 1.311 | 925      | .684     |
| AEI29 I know what other people are feeling just by looking at the   | 245 | 1   | 7   | 4.62 | 1.296 | 441      | .085     |
| AEI30 I help other people feel better when they are down.   | 245 | 1   | 7   | 5.65 | 1.184 | -1.310   | 2.540    |
| AEI31 I use good moods to help myself keep trying in the face of obstacles.                                       | 245 | 1   | 7   | 5.76 | 1.133 | -1.313   | 2.592    |
| AEI32 I can tell how people are feeling by listening to the tone of their voice.                                  | 245 | 1   | 7   | 5.06 | 1.292 | 717      | .392     |
| CO1 I try to figure out what a customer's needs are.  | 245 | 1   | 9   | 7.53 | 1.898 | -1.558   | 1.816    |
| CO2 I always have the customer's best interest in mind.   | 245 | 2   | 9   | 7.39 | 1.645 | -1.435   | 1.912    |
| CO3 I try to bring a customer with a problem together with a product/service that helps solve that problem.       | 245 | 1   | 9   | 7.65 | 1.624 | -1.588   | 2.309    |
| CO4 I offer the product/service that is best suited to the customer's problem.                                    | 245 | 2   | 9   | 7.91 | 1.401 | -1.891   | 4.142    |
| CO5 I try to find out what kind of products/services will be most helpful to a customer.                          | 245 | 2   | 9   | 7.76 | 1.636 | -1.762   | 2.851    |
| SO1 I try to sell as much as I can rather than to satisfy a customer.   | 245 | 1   | 9   | 3.56 | 2.366 | .866     | 401      |
| SO2 It is necessary to stretch the truth in describing a product to a customer.                                   | 245 | 1   | 9   | 5.48 | 2.708 | 189      | -1.432   |
| SO3 I try to sell a customer all I can convince them to buy, even if that is more than a wise customer would buy. | 245 | 1   | 9   | 4.24 | 2.453 | .328     | -1.265   |
| SO4 I paint too rosy a picture of my product/service to make them sound as good as possible.                      | 245 | 1   | 9   | 4.74 | 2.477 | .091     | -1.353   |
| SO5 I decide what product/service to offer on the basis of what I can convince customers to accept                | 245 | 1   | 9   | 3.80 | 2.290 | .565     | 942      |
| AD1 When I feel that my sales approach is not working, I can easily change to another approach.                   | 245 | 1   | 7   | 5.78 | 1.287 | -1.071   | .863     |
| AD2 I like to experiment with different sales approaches.   | 245 | 1   | 7   | 5.37 | 1.392 | 807      | .162     |
| AD3 I am very flexible in the selling approach I use.   | 245 | 1   | 7   | 5.59 | 1.253 | -1.092   | 1.563    |
| AD4 I can easily use a wide variety of selling approaches.  | 245 | 1   | 7   | 5.73 | 1.211 | -1.028   | 1.148    |
| AD5 I try to understand how one customer differs from another.  | 245 | 1   | 7   | 5.86 | 1.234 | -1.490   | 2.611    |

| OP1 My performance to sell products with higher profit margins.                           | 245 | 2 | 7 | 5.24 | 1.258 | .192   | -1.325 |
|---|-----|---|---|------|-------|--------|--------|
| OP2 My performance to generate a high dollar amount of sales in my territory.             | 245 | 2 | 7 | 5.38 | 1.258 | 033    | -1.257 |
| OP3 My performance to quickly generate sales of new company products.                     | 245 | 2 | 7 | 5.55 | 1.239 | 372    | 832    |
| OP4 My performance to produce a high market share for my company in my territory.         | 245 | 1 | 7 | 5.22 | 1.335 | 460    | .331   |
| BP1 My ability in providing effective information to management.                          | 245 | 1 | 7 | 5.69 | 1.288 | 846    | .528   |
| BP2 My ability in customer relations.   | 245 | 1 | 7 | 6.13 | 1.030 | -1.412 | 2.355  |
| SDR1 I like to gossip at times.   | 245 | 1 | 7 | 3.80 | 1.570 | 004    | 633    |
| SDR2 I have never deliberately said something that hurt someone's feelings.               | 245 | 1 | 7 | 4.67 | 1.928 | 379    | 954    |
| SDR3 I'm always willing to admit it when I make a mistake.                                | 245 | 1 | 7 | 5.23 | 1.572 | 894    | .242   |
| SDR4 There have been occasions when I took advantage of someone.                          | 245 | 1 | 7 | 3.52 | 1.850 | .149   | -1.097 |
| SDR5 I sometimes try to get even rather than forgive and forget.                          | 245 | 1 | 7 | 2.96 | 1.765 | .524   | 806    |
| SDR6 At times, I have really insisted on having things my own way.                        | 245 | 1 | 7 | 4.97 | 1.497 | 557    | 116    |
| ELIGIB1 My colleagues would describe me as an expert in sales.                            | 245 | 2 | 7 | 5.08 | 1.106 | 053    | 594    |
| ELIGIB2 During my professional career I have attended a number of sales trainings.        | 245 | 1 | 7 | 4.54 | 1.656 | 251    | 627    |
| ELIGIB3 I enjoy working in sales, meeting people and their unique perspectives and views. | 245 | 2 | 7 | 5.68 | 1.210 | 589    | 457    |
| ELIGIB4 My job role qualifies me to answer questions about the sales.                     | 245 | 2 | 7 | 5.87 | 1.139 | 740    | 282    |

Appendix I: EFA Forcing one Factor Extraction (Bosnia and Herzegovina)

Total Variance Explained

| Component |       | genvalues |            | Extraction S | Sums of Squared L | oadings      |
|-----------|-------|-----------|------------|--------------|-------------------|--------------|
|           |       | % of      | Cumulative |              |                   | <u>g</u>     |
|           | Total | Variance  | %          | Total        | % of Variance     | Cumulative % |
| 1         | 5.283 | 15.093    | 15.093     | 5.283        | 15.093            | 15.093       |
| 2         | 4.755 | 13.587    | 28.680     |              |                   |              |
| 3         | 2.958 | 8.452     | 37.132     |              |                   |              |
| 4         | 2.524 | 7.212     | 44.344     |              |                   |              |
| 5         | 2.152 | 6.148     | 50.493     |              |                   |              |
| 6         | 1.641 | 4.689     | 55.181     |              |                   |              |
| 7         | 1.377 | 3.933     | 59.115     |              |                   |              |
| 8         | 1.147 | 3.278     | 62.392     |              |                   |              |
| 9         | 0.991 | 2.833     | 65.225     |              |                   |              |
| 10        | 0.871 | 2.489     | 67.714     |              |                   |              |
| 11        | 0.815 | 2.327     | 70.041     |              |                   |              |
| 12        | 0.738 | 2.107     | 72.149     |              |                   |              |
| 13        | 0.674 | 1.925     | 74.074     |              |                   |              |
| 14        | 0.663 | 1.893     | 75.967     |              |                   |              |
| 15        | 0.645 | 1.842     | 77.809     |              |                   |              |
| 16        | 0.610 | 1.743     | 79.552     |              |                   |              |
| 17        | 0.590 | 1.685     | 81.236     |              |                   |              |
| 18        | 0.555 | 1.585     | 82.821     |              |                   |              |
| 19        | 0.522 | 1.491     | 84.312     |              |                   |              |
| 20        | 0.505 | 1.443     | 85.755     |              |                   |              |
| 21        | 0.483 | 1.380     | 87.135     |              |                   |              |
| 22        | 0.477 | 1.363     | 88.498     |              |                   |              |
| 23        | 0.434 | 1.239     | 89.737     |              |                   |              |
| 24        | 0.413 | 1.180     | 90.918     |              |                   |              |
| 25        | 0.399 | 1.140     | 92.058     |              |                   |              |
| 26        | 0.376 | 1.076     | 93.133     |              |                   |              |
| 27        | 0.350 | 1.001     | 94.134     |              |                   |              |
| 28        | 0.340 | 0.970     | 95.104     |              |                   |              |
| 29        | 0.332 | 0.949     | 96.053     |              |                   |              |
| 30        | 0.305 | 0.871     | 96.924     |              |                   |              |
| 31        | 0.271 | 0.774     | 97.699     |              |                   |              |
| 32        | 0.262 | 0.748     | 98.446     |              |                   |              |
| 33        | 0.195 | 0.556     | 99.003     |              |                   |              |
| 34        | 0.181 | 0.516     | 99.519     |              |                   |              |
| 35        | 0.168 | 0.481     | 100.000    |              |                   |              |

Extraction Method: Principal Component Analysis.

**Appendix J: EFA Forcing one Factor Extraction (Croatia)** 

Total Variance Explained

| Component |           | Eigenvalues   |            | Extract | tion Sums of Squar | red Loadings |
|-----------|-----------|---------------|------------|---------|--------------------|--------------|
| сотронен  | Tintiai I |               | Cumulative | Entrue  | Sums of Squar      | Loudings     |
|           | Total     | % of Variance | %          | Total   | % of Variance      | Cumulative % |
| 1         | 6.828     | 19.507        | 19.507     | 6.828   | 19.507             | 19.507       |
| 2         | 4.169     | 11.911        | 31.419     |         |                    |              |
| 3         | 3.096     | 8.845         | 40.264     |         |                    |              |
| 4         | 2.774     | 7.926         | 48.19      |         |                    |              |
| 5         | 2.155     | 6.157         | 54.347     |         |                    |              |
| 6         | 1.553     | 4.438         | 58.785     |         |                    |              |
| 7         | 1.31      | 3.744         | 62.529     |         |                    |              |
| 8         | 1.043     | 2.98          | 65.51      |         |                    |              |
| 9         | 0.896     | 2.561         | 68.07      |         |                    |              |
| 10        | 0.846     | 2.418         | 70.489     |         |                    |              |
| 11        | 0.739     | 2.112         | 72.601     |         |                    |              |
| 12        | 0.696     | 1.989         | 74.591     |         |                    |              |
| 13        | 0.674     | 1.926         | 76.516     |         |                    |              |
| 14        | 0.641     | 1.831         | 78.348     |         |                    |              |
| 15        | 0.59      | 1.687         | 80.034     |         |                    |              |
| 16        | 0.566     | 1.618         | 81.652     |         |                    |              |
| 17        | 0.524     | 1.497         | 83.149     |         |                    |              |
| 18        | 0.506     | 1.447         | 84.596     |         |                    |              |
| 19        | 0.495     | 1.414         | 86.01      |         |                    |              |
| 20        | 0.475     | 1.357         | 87.368     |         |                    |              |
| 21        | 0.449     | 1.283         | 88.651     |         |                    |              |
| 22        | 0.431     | 1.232         | 89.883     |         |                    |              |
| 23        | 0.405     | 1.158         | 91.041     |         |                    |              |
| 24        | 0.394     | 1.126         | 92.167     |         |                    |              |
| 25        | 0.376     | 1.075         | 93.242     |         |                    |              |
| 26        | 0.337     | 0.962         | 94.204     |         |                    |              |
| 27        | 0.308     | 0.881         | 95.085     |         |                    |              |
| 28        | 0.288     | 0.824         | 95.908     |         |                    |              |
| 29        | 0.261     | 0.747         | 96.655     |         |                    |              |
| 30        | 0.254     | 0.726         | 97.381     |         |                    |              |
| 31        | 0.248     | 0.707         | 98.088     |         |                    |              |
| 32        | 0.218     | 0.624         | 98.712     |         |                    |              |
| 33        | 0.192     | 0.549         | 99.261     |         |                    |              |
| 34        | 0.147     | 0.421         | 99.682     |         |                    |              |
| 35        | 0.111     | 0.318         | 100        |         |                    |              |

Extraction Method: Principal Component Analysis.

# Appendix K: Ping's (1995) Computation Formulas

Equation for computing the loading for x\*z

$$\lambda x : z = \Lambda X \Lambda Z$$

Equation for computing the error variance for xz

$$\zeta \epsilon x{:}z = \Lambda x^2 Var(X) \zeta z + \Lambda z^2 Var(Z) \zeta x + \zeta x \zeta z$$

 $\text{where } \Lambda x = \lambda x_1 + \lambda x_2, \ \zeta X = Var(\epsilon x_1) + Var(\epsilon x_2), \ \Lambda z = \lambda z_1 + \lambda z_2, \ \zeta z = Var(\epsilon z_1) + Var(\epsilon z_2).$ 

# Appendix L: Povzetek doktorske disertacije

# **Uvod**

Osebna prodaja obstaja že več stoletij, vendar so se načela, na katerih temelji, sčasoma spremenila. Evolucija prodaje se je začela s transakcijsko prodajo, ki se je v poznih *šestdesetih* in zgodnjih sedemdesetih letih dvajsetega stoletja zaradi povečane konkurence ter kompleksnosti izdelkov in storitev razvila v posvetovalno, h kupcem naravnano prodajo, ki temelji na uspešni komunikaciji med kupcem in prodajalcem (Manning, Ahearne & Reece, 2011). V osemdesetih letih je zaslediti premik k strateški prodaji, medtem ko se v devetdesetih partnerstva ustvarjajo z vzpostavljanjem dolgoročnih strateških odnosov, ki težave kupca rešujejo s filozofijo »win-win« (Paparoidamis & Guenzi, 2009). Na današnjem konkurenčnem trgu osebna prodaja ključni element v prizadevanjih sodobnih družb, da bi dosegle organizacijsko uspešnost, ki temelji na zadovoljstvu potrošnikov, zvestobi in obsegu dobičkonosne prodaje (Anderson, 1996).

Osebna prodaja je promocijsko sredstvo, s katerim se prodajna sporočila prilagajajo posameznim komunikacijskim potrebam sprejemnika. Hkrati je izredno drago sredstvo trženja (Román & Martín, 2008), zlasti v primerjavi z elektronskimi alternativami (Spiro & Weitz, 1990). Spremembe, ki so jih prinesli globalizirana in skorajda brezmejna konkurenca, čedalje bolj globalizirano svetovno gospodarstvo in nedavna gospodarska recesija, so več kot očitne. Nekatere posledice izhajajo iz tehnoloških sprememb, kot je nadomestitev osebne prodaje s kanali spletne prodaje. Po drugi strani izhajajo posledice tudi iz samega vedenja kupcev, denimo njihova cenovna občutljivost in večji poudarek na vrednosti ter želja po soustvarjanju (Sheth & Sharma, 2008). Zaradi omenjenih zunanjih pritiskov so bile prodajne organizacije prisiljene uvesti korenite spremembe (Geiger & Guenzi, 2009) in na novo opredeliti svoje prodajne postopke. Prodajni postopek je mogoče povzeti kot postopek, sestavljen iz šestih faz: iskanje potencialnih kupcev, navezava stika, vrednotenje potencialnega kupca, predstavitev prodajnega sporočila, zaključitev prodaje in postrežba kupca (Johnston, Churchill, Marshall, Ford & Walker, 2005). Storbacka, Ryals, Davies in Nenonen (2009) predlagajo, da mora prodajni postopek potekati dvosmerno: najprej mora prodajno osebje zbirati podatke o kupcih in njihovih zahtevah ter posredovati zbrane podatke svoji organizaciji, nato sledi zbiranje organizacijskega znanja in virov.

Eden glavnih dejavnikov za izboljšanje prodajnega procesa ter razvoj odnosa med kupcem in prodajalcem so prodajalci sami. Strokovna literatura o prodaji se strinja glede temeljnih teoretskih konstruktov, ki omogočajo odnos med kupcem in prodajalcem (Saxe & Weitz, 1982; Spiro & Weitz, 1990), kot tudi glede same narave procesa vzpostavljanja odnosov (Dwyer et al., 1987), vendar ni jasnega razumevanja, kaka je vloga posameznih relacijskih konstruktov v uspešnosti določenega prodajalca (Keillor et al., 2000). Obenem uspešni prodajalci postajajo vse bolj dragoceni in pomembni, saj stroški zaposlitve prodajalcev čedalje bolj naraščajo (Darmon, 2004). Organizacije se zaradi teh dejstev zanimajo za spremenljivke, na podlagi katerih bi lahko napovedale, ali bo prodajalce uspešen ali ne (Jaramillo & Grisaffe, 2009). Prav tako se sodobno vođenje prodaje osredotoča na izbor in zaposlovanje sposobnih kandidatov na delovnih mestih v prodaji (Piercy, Cravens & Morgan, 1998). Doktorska disertacija ponuja nove vpoglede v predhodne dejavnike

uspešnosti prodajalca, pri čemer bom upoštevala vedenjsko perspektivo, ki vključuje relacijske (tj. naravnanost h kupcem, prodajno naravnanost in prilagojeno prodajo) in individualne lastnosti (npr. čustvena inteligenca in moralna sodba) prodajalcev.

Dejstvo, da ključ do dolgoročnega uspeha leži v relacijskem pristopu do interakcije med kupcem in prodajalcem, je priznano kot eden najpomembnejših novejših trendov v raziskavah *business-to-business* (B2B) (Dwyer, Schurr & Oh, 1987). V literaturi o prodaji (npr. Jaramillo, Ladik, Marshall & Mulki, 2007; Jones, Busch & Dacin, 2003) večinoma obstaja soglasje o teoretičnem okviru odnosov med kupcem in prodajalcem. Vendar ni empiričnih raziskav, ki bi analizirale medsebojno povezanost različnih vidikov interakcije med kupcem in prodajalcem (npr. relacijsko vedenje, kot sta naravnanost prodajalca in prilagojena prodaja, ter posamezne značilnosti prodajalca, denimo čustvena inteligenca in moralna sodba) ter uspešnosti posameznih prodajalcev. Nadalje v teoriji prodaje tudi ni mogoče zaslediti empiričnih raziskav o odnosih med kupcem in prodajalcem v globalnem in medkulturnem kontekstu.

Namen doktorske disertacije je raziskati odnos med prodajnim vedenjem in uspešnostjo prodaje ter nadalje raziskati, kako osebne lastnosti prodajalca (tj. čustvena inteligenca in moralna sodba) vplivajo na stik s kupci ter posredno uspešnost prodaje. Cilji doktorske disertacije so:

- raziskati povezavo med različnimi vrstami prodaje in relacijskim vedenjem prodajalca;
- ponuditi boljši vpogled v funkcionalno obliko (tj. linearno ali nelinearno) razmerij med uspešnostjo prodaje in relacijskim vedenjem prodajalca;
- raziskati moderacijski vpliv moralne sodbe na odnos med relacijskim vedenjem in uspešnostjo prodajalca;
- raziskati vlogo čustvene inteligence v relacijskem prodajnem vedenju.

## Teoretično ozadje

Uspešnost (učinkovitost) prodajalca

Poznamo različne konceptualne definicije uspešnosti prodajalca (Walker et al., 1977; Walker et al., 1979; Churchill et al., 1985), saj je bil konstrukt prodajne uspešnosti<sup>25</sup> zelo pogosto konceptualno opredeljen na različne načine. Vendar bo doktorska disertacija temeljila na konceptualizacijskem toku Andersona in Oliverja (1987), ki sta prodajna uspešnost definirala kot ocenjevanje prodajalcev na podlagi tistega, kar proizvedejo (tj. prodajnih rezultatov), in tistega, kar počnejo (tj. prodajnega vedenja). Avtorja

<sup>&</sup>lt;sup>25</sup> Zanimiva ugotovite je, da je Weitz (1981) v modelu kontingenčnega ogrodja uporabil izraz prodajna učinkovitost, v Walker et al. (1979) pa je bil konstrukt z identično definicijo poimenovan prodajna uspešnost. Če se vrnemo h konceptualnim modelom, razloženim v razdelku 1.2., je mogoče videti, da je Weitzova (1981) definicija prodajne učinkovitosti to, kar Walker et al. (1979) obravnavajo kot uspešnost prodajalcev. Zaradi jasnosti in v skladu s sodobno literaturo v tej nalogi uporabljamo izraz prodajna uspešnost.

predlagata, da je prodajno uspešnost treba ocenjevati na dva načina: na podlagi tistega, kar počnejo (npr. načrtovanje prodaje), in na podlagi rezultatov, ki se jim pripisujejo (npr. prodajnih rezultatov). Zato sta uvedla proučevanje uspešnosti prodajalca kot vedenjske uspešnosti in uspešnosti glede na rezultate. Vedenjska uspešnost se ukvarja z različnimi spretnostmi in dejavnostmi, ki so pomembne za izpolnitev delovnih obveznosti prodajalca, medtem ko je uspešnost glede na rezultate sestavljena iz rezultatov, ki jih gre pripisati prodajalcu (tj. tradicionalni prodajni pristopi, tržni delež, novi kupci) (Piercy, Cravens & Morgan, 1998). Zasledujoč argumentacijo, ki so jo postavili Evans et al. (2012), ki trdijo, da je v sodobni prodajni praksi potrebnih več konceptualnih ali konkretnih vrst dosežkov prodajne uspešnosti, se ta študija osredotoča na vedenjsko uspešnost in na uspešnost glede na rezultate.

Deeter-Schmelz in Sojka (2007) nadalje zatrjujeta, da ne obstaja nobena posamezna lastnost ali skupek lastnosti, ki bi veljal kot zanesljiv napovedovalec uspešnosti prodaje. Zato bi podjetja morala svojo pozornost usmeriti na dejavnike, ki skupaj tvorijo uspešno prodajno kulturo. V prodajni literaturi najdemo znanstvene študije, ki dokazujejo, da kognitivne spremenljivke (Sujan, 1994), osebnostne spremenljivke (Saxe & Weitz, 1982), situacijske spremenljivke (Weitz, 1981), spremenljivke, povezane s komunikacijo (Johlke, 2006), vedenjske spremenljivke (Dixon, Spiro & Jamil, 2001) in naravnanost h kupcem (Jaramillo, 2004) vplivajo na prodajno uspešnost. Schwepker (2003) je neposredno povezal prodajno uspešnost z naravnanostjo prodajalca. Saxe in Weitz (1982) omenjata, da je naravnanost h kupcem pozitivno povezana s prodajno uspešnostjo in je tudi njen predhodni dejavnik. Na drugi strani Singh in Koshy (2011) izražata skrb, saj naj bi se bilo treba o odnosu med naravnanostjo prodajalca in prodajno uspešnostjo še veliko naučiti.

Očitno je, da je prodajna uspešnost poglavitna za organizacijski uspeh, saj znatno vpliva na preživetje in razvoj organizacije (Levy & Weitz, 2003). Do zdaj niso bila pokazana večja odstopanja pri katerikoli od zgoraj navedenih skupin dejavnikov prodajne uspešnosti (Jaramillo et al., 2007).

## Prodajna naravnanost – naravnanost h kupcem

Prodajalci se v stiku s kupci pogosto znajdejo v eni od dveh značilnih prodajnih situacij: prodajne naravnanosti (angl. *selling orientation – SO*) ali naravnanosti h kupcem (angl. *customer orientation – CO*) (Saxe & Weitz, 1982). Prodajna naravnanost nastane, ko so prodajalci v prvi vrsti naravnani v prodajne dejavnosti (Schultze & Good, 2000). Znotraj prodajnega koncepta želi prodajalec spodbuditi povpraševanje po storitvah ali izdelkih, ne pa jih prodati kot odziv na potrebe kupcev (Saxe & Weitz, 1982). Številne organizacije še danes delujejo v prodajno naravnanem okolju, toda Periatt, LeMay in Chakrabarty (2004) trdijo, da je literatura na področju raziskovanja prodajne naravnanosti pomanjkljiva.

Večina objavljene literature o prodaji pravi, da je naravnanost h kupcem obvezna za profesionalnega prodajalca (Keillor, Parker & Pettijohn, 2000). Prodajno naravnanost h kupcem je mogoče razumeti kot prakso trženjskega koncepta na ravni posameznega prodajalca (Saxe & Weitz, 1982). Tako je naravnanost h kupcem postala ključni konstrukt v literaturi trženja (Homburg, Muller & Klarman, 2011), ki ga lahko opredelimo kot

koncept tržne naravnanosti podjetij (Narver & Slater, 1990; Rindfleisch & Moorman, 2003) oziroma kot koncept posameznih zaposlenih, predvsem prodajalcev (Boles et al., 2001; Licata, Mowen, Harris & Brown, 2003).

V preteklih študijah je pomen naravnanosti h kupcem dosledno obravnavan, vendar se njene konceptualizacije razlikujejo (Weitz et al., 1986; Sharma et al., 2000; Gillis, Pitt, Robson & Berthon, 1998). Zato v doktorski disertaciji najprej opredelim različne konceptualne definicije naravnanosti h kupcem (npr. Homburg et al., 2011; Singh & Koshy, 2012), vendar bom v nadaljevanju doktorske naloge uporabila konceptualizacijo Saxe in Weitz (1982). Saxe in Weitz (1982, str. 344) pravita, da »prodaja, naravnana h kupcem, vključuje prodajalce, ki udejanjajo trženjski koncept tako, da poskušajo pomagati kupcem sprejeti nakupne odločitve, ki bodo zadovoljile njihove potrebe«.

Znanstvene študije so potrdile pozitiven odnos med naravnanostjo h kupcem in uspešnostjo dela v okolju *business-to-consumer* (B2C) (Jaramillo, 2004; Bass, Hebert & Tomkiewicz, 2003; Boles et al., 2001) in v okolju B2B (Keillor et al., 2000; Siguaw & Honeycutt, 1995). Po drugi strani nekatere raziskave niso potrdile pozitivnega odnosa med naravnanostjo h kupcem in prodajno uspešnostjo (npr. Avila, 1999; Franke & Park, 2006; Howe, Hoffman & Hardigree, 1994). Poleg tega Kidwell et al. (2007) empirično potrdi, da prodaja, naravnana h kupcem, ni nujno vedno dobra izbira, medtem ko Singh in Koshy (2011) nista našla prav nobene povezave med naravnanostjo h kupcem in njihovim zadovoljstvom, ki bi po definiciji moralo izhajati iz vedenja CO. Raziskava Homburg, Muller in Klarmann (2011) je dokazala, da obstaja optimalna raven naravnanosti h kupcem v povezavi z uspešnostjo.

Zanimivo je, da v večini primerov ni bil potrjen pričakovani negativni odnos med prodajno naravnanostjo in uspešnostjo. Študija Boles et al. (2001) je potrdila, da ima prodajna naravnanost negativen, vendar nepomemben odnos z uspešnostjo. Do podobne ugotovitve so prišli Goff in njegovi kolegi (1997). Prav tako sta Singh in Koshy (2011) v svoji raziskavi ugotovila, da je naravnanost h kupcem pozitivno povezana z razvojem odnosov. Wachner, Gregoire in Plouffe (2009) so empirično dokazali, da se je uspešnost povečala tudi pri prodajalcih SO z manjšo stopnjo znanja. Wachner et al. (2009) so pokazali, da CO sama po sebi ne pripelje vedno do želenih posledic in da SO ni vedno nezaželena. Guenzi, De Luca in Troilo (2011) so dodatno pokazali, da SO ni negativno povezana z ustvarjanjem vrhunske vrednosti za kupca. Iz zgoraj navedenega pregleda literature lahko zaključim, da so SO, CO in uspešnost tesno povezani konstrukti.

## Prilagojena prodaja

V upanju, da bi izboljšali prodajno uspešnost, so akademiki na področju trženja iskali optimalne strategije in pristope k osebni prodaji. Osnovna zamisel je, da ne obstaja samo en najboljši način prodaje in da mora biti dober prodajalec dovolj prilagojen, da bo izbral in izvajal prodajno strategijo, ki temelji na osebnih lastnosti kupca (Roman & Iacobucci, 2010).

Prilagojeno prodajno vedenje (angl.  $Adaptive\ seling\ -AD$ ) kot determinanta uspešnosti prodaje je postalo predmet zanimanja v poznih sedemdesetih letih dvajsetega stoletja

zaradi Weitza. Weitz, Sujan in Sujan (1986, str. 175) definirajo prilagojeno prodajo kot »spreminjanje prodajnega vedenja med interakcijo s kupci ali skozi interakcijo s kupci na podlagi prejetih informacij o naravi prodajne situacije«. Tako bodo prodajalci z močno sposobnostjo zaznavanja situacijskih razlik, ki prilagajajo svoj pristop zahtevam različnih prodajnih situacij, dosegli večjo uspešnost (Plouffe et al., 2009). Sledi, da bodo prodajalci, naravnani h kupcem, v stiku s kupcem lahko uporabili prilagojeno prodajo, zaradi česar bodo uspešnejši. Vedenja prilagojene prodaje posledično odražajo različne prodajne pristope, ki so na voljo prodajalcem v stiku s kupci (Chakrabarty, Brown & Widing, 2010).

V zadnjih tridesetih letih so znanstvene študije raziskovale predvsem vlogo prilagojene prodaje glede na številne spremenljivke osebne prodaje, vključujoč osebne značilnosti in sposobnosti prodajalca, situacijske spremenljivke in ukrepe prodajne uspešnosti (Giacobbe et al., 2006; Robinson, Marshall, Lassk & Moncrief, 2002; Roman & Iacobucci, 2010). Notarantonio in Cohen (1990) pravita, da bi moralo prilagojeno vedenje biti nujen pogoj za uspešnost prodaje in celo učinkovito vodstveno uspešnost. Najpogosteje študije analizirajo neposredne odnose med prilagojeno prodajo in prodajno uspešnostjo (Spiro & Weitz, 1990; Anglin, Stoltman & Gentry, 1990; Siguaw, 1993; Sujan, Weitz & Kumar, 1994; Keillor, Parker & Pettijohn, 2000; Park & Holloway, 2003; Porter, Wiener & Frankwick, 2003, Verbeke, Belschak & Bagozzi, 2004; Chakrabarty et al., 2004; Giacobbe et al., 2006), kar sem dokazala tudi v naših okvirih.

#### Moralna sodba

Moralna sodba je opredeljena kot »posameznikova odločitev, ali je nekaj etično ali neetično« (Schwepker & Ingram, 1996). Nekateri od najpomembnejših modelov etičnega odločanja (npr. Ferrell et al., 1989; Rest, 1988) navajajo, da se moralna sodba oblikuje skozi osebno sklepanje ali miselne procese pred samim sodelovanjem v etičnem vedenju. Zato je moralna sodba osnova za etično odločanje in jo je treba šteti kot predhodni dejavnik etičnega vedenja (Wotruba, 1990). Prav tako so študije pokazale, da naj bi posamezniki z višjo stopnjo moralne sodbe sprejemali bolj etične odločitve (npr. Jones, 1991). Raziskava Dubinskega in njegovih kolegov (2004) je podprla zgornjo trditev z raziskavami v prodajnem kontekstu, saj je pokazala, da moralna sodba prodajalca vpliva na njegove namere za etično ali neetično delovanje.

Posamezniki sprejemajo moralne sodbe na podlagi več kot le enega razloga, pomen teh razlogov pa je v funkciji problematične situacije, s katero se posameznik sooča (Reidenbach & Robin, 1990). Iz tega sledi, da je moralno sodbo kot predhodni dejavnik etičnega odločanja treba razumeti in izmeriti kot večdimenzionalni konstrukt (Henthorne, Robin & Reidenbach, 1992). Tu sledimo teoriji Reidenbacha in Robina (1990), ki sta razložila obstoj treh etičnih dimenzij, in sicer moralne enakosti, relativizma in kontraktualizma, ki jih obravnavamo v doktorski disertaciji.

Empirično je dokazano, da je moralna sodba prodajalca pozitivno povezana z zaupanjem kupcev v prodajalce, zadovoljstvom kupcev z izmenjavami in zadovoljstvom s prodajalci (Cadogan & Lee, 2009), predanostjo prodajalcu (Roman & Munuera, 2005) in

zadovoljstvom prodajalca s svojim delom (Roman & Munuera, 2005). Vendar odnos med prilagojenim prodajnim vedenjem in moralno sodbo prodajalca ni najbolj jasen.

# Čustvena inteligenca

Čustvena inteligenca (angl. *emotional intelligence – EI*) se navaja kot ključni dejavnik učinkovite prodaje (Weitz, Castleberry & Tanner, 2001). Čustvena inteligenca je koncept z velikim številom medsebojno izključujočih se konceptualnih definicij, ki jih obravnavamo v disertaciji. Na teoretični podlagi smo konstrukt čustvene inteligentnosti triangulirali ter se ob pomoči analize socitiranja (angl. *co-citation*) in kartiranja znanosti (angl. *science mapping*) odločili, kateremu toku bomo sledili. Na podlagi pregleda omrežja smo lahko prepoznali najpomembnejše prispevke in avtorje na tem področju ter se odločili, da v raziskavi sledimo toku konceptualizacije EI, predstavljene v Mayer et al. (1990) in Mayer et al. (1997).

Konstrukt čustvene inteligence, ki temelji na definiciji Saloveya in Mayerja (1990), vključuje sposobnost ukvarjanja z lastnimi in tujimi čustvi ter uporabo teh podatkov za pomoč posameznikom pri reševanju problemov in odločanju. Mayer, Salovey in Caruso (2000) so pozneje priznali, da je bila prva definicija (iz leta 1990) nejasna, ter so fokus prestavili na razmišljanje o čustvenih procesih v čustveni inteligenci in njihovem razumevanju ter vse skupaj povezali s čustveno učinkovitostjo. Po mnenju nekaterih teoretikov se čustvena inteligenca nanaša na dolg seznam lastnosti ali sposobnosti, ki se zdijo sestavljene iz več vidikov osebnosti.

Dimenzije čustvene inteligence vključujejo upravljanje s čustvi drugih, upravljanje z lastnimi čustvi, dojemanje čustev in izkoriščanje čustev (Mayer et al., 1998). Čustveno inteligentni posamezniki se lahko bolj zavedajo svojih čustev in tudi čustev drugih, jih bolje prepoznajo in bolje posredujejo, kadar je to primerno (Mayer et al., 2000). Rečemo lahko, da je veliko komponent čustvene inteligence (npr. empatija, dolgoročna usmerjenost, razumevanje čustev drugih ljudi) povezanih z definicijo naravnanosti h kupcem (Ingram et al., 2005; Pilling & Eroglu, 1994). Prodajalci z večjo stopnjo čustvene inteligence so bolj sposobni izbrati najprimernejši potek dejavnosti (Rozell, Pettijohn & Parker, 2004). Vedoč, da so osnova prilagojene prodaje razumevanje narave prodajnih situacij (Spiro & Weitz, 1990), izbira ustrezne prodajne strategije glede na prodajno situacijo in izvajanje ustreznih popravkov med interakcijo s kupci (Baldauf & Cravens, 2002), je mogoče sklepati, da je čustveno inteligenten prodajalec sposoben izvajati prilagojeno prodajo. Deeter-Schmelz in Sojka (2003) na podlagi kvalitativne raziskave predlagata, da je lahko čustvena inteligenca pomemben dejavnik uspeha prodaje. Rozell, Pettijohn in Parker (2004) so dokazali, da je večja čustvena inteligenca pozitivno povezana z višjo stopnjo naravnanosti h kupcem.

# *Hipoteze*

Na podlagi obsežnega pregleda literature smo razvili konceptualni model in hipoteze, ki jih bomo preverjali v doktorski disertaciji. Konceptualni model je sestavljen iz treh različnih relacijskih vedenj prodajalcev, in sicer naravnanosti h kupcem (CO), prodajne naravnanosti

(SO) in prilagojene prodaje (AD), ki vplivajo na in napovedujejo vedenjsko uspešnost prodajalca (PERFB) ter uspešnost glede na rezultate (PERFO). Poleg tega je prilagojena prodaja vodena in moderirana z osebnimi značilnostmi prodajalca (moralna sodba – MJUD), medtem ko na relacijsko vedenje prodajalca vpliva čustvena inteligenca – EI.

Razvili smo naslednje hipoteze:

**H1:** Razmerje med prodajno naravnanostjo in uspešnostjo glede na rezultate je kvadratno v obliki črke U.

**H2:** Razmerje med naravnanostjo h kupcem in vedenjsko uspešnostjo prodajalca je kvadratno v obliki narobe obrnjene črke U.

**H3:** Prilagojena prodaja je pozitivno povezana z vedenjsko uspešnostjo.

**H4:** Vedenjska uspešnost prodajalca je pozitivno povezana z uspešnostjo glede na rezultate.

**H5a:** Čustvena inteligenca je povezana s prodajno naravnanostjo.

**H5b:** Čustvena inteligenca je pomemben in pozitiven napovedovalec naravnanosti h kupcem.

**H5c:** Čustvena inteligenca je pomemben in pozitiven napovedovalec prilagojene prodaje.

**H6a:** Večja je moralna enakost prodajalca, močnejši je pozitivni učinek prilagojene prodaje na vedenjsko uspešnost prodajalca.

**H6b:** Večji je relativizem prodajalca, močnejši je pozitivni učinek prilagojene prodaje na vedenjsko uspešnost prodajalca.

**H6c:** Večji je kontraktualizem prodajalca, šibkejši je pozitivni učinek prilagojene prodaje na vedenjsko uspešnost prodajalca.

## Raziskovalna metodologija, rezultati in ugotovitve

Oblikovali smo visoko strukturirani vprašalnik, ki je bil uporabljen v spletni anketi za samostojno izpolnjevanje. Med oblikovanjem vprašalnika smo upoštevali postopek izpeljave mednarodnih medkulturnih trženjskih raziskav (Craig & Douglas, 2001; Steenkamp et al., 2010). Zgodnja različica vprašalnika v lokalnem jeziku je prestala obsežno predhodno testiranje (tj. protokole, poročanje, fokusne skupine, pilotno študijo, kar je razloženo v naslednjih poglavjih).

Anketni vprašalnik je sestavljen iz merilnih instrumentov, ki jih je mogoče najti v znanstveni literaturi. Večdimenzionalna lestvica etike, prvotno razvita v Reidenbach (1988) ter preoblikovana v Reidenbach et al. (1990, 1993), je bila uporabljena za določitev moralne sodbe prodajalca. Čustvena inteligenca je merjena z izbranimi elementi iz lestvice ocene čustev, razvite v Schutte et al. (1998). Za merjenje prilagojene prodaje sta uporabljeni 10-stopenjska lestvica *Selling Orientation-Customer Orientation* (SOCO) (Saxe & Weitz, 1982; Thomas, Soutar & Ryan, 2001) in lestvica ADAPTS-SV (Spiro & Weitz, 1990). Lestvica subjektivne uspešnosti, ki sta jo razvila Behrman in Perreault (1982) ter so jo na novo definirali Johlke et al. (2006), je bila uporabljena za merjenje vedenjske uspešnosti in uspešnost glede na rezultate.

Podatke smo zbirali v Bosni in Hercegovini (n = 286) ter na Hrvaškem (n = 245). Analizirane so sociodemografske značilnosti obeh vzorcev s posebnim poudarkom na podatkih v zvezi s prodajo, pridobljenimi od anketirancev. Konceptualni model je bil analiziran z LISREL 8,71 za vsak predlagani konstrukt v obeh vzorcih. Poleg tega je bil izveden test nespremenljivosti meritev kot pogoj za testiranje hipotez. Nazadnje smo analizirali hipoteze o odnosih med konstrukti interesa. Model je najprej preizkušen na kalibracijskem vzorcu (Bosna in Hercegovina) ter nato na potrditvenem vzorcu (Hrvaška). Modeliranje strukturnih enačb (SEM) je uporabljeno v fazi testiranja modela.

Implikacije za akademsko skupnost in praktike

Doktorska disertacija prispeva k znanju o osebni prodaji kot podpanogi trženja ter o upravljanju prodaje s teoretičnega, metodološkega in menedžerskega stališča.

Doktorska disertacija ponuja tudi celovit in sistematičen pregled dosedanjega teoretičnega znanja in empiričnih raziskav. Na podlagi tega razvijem konceptualni model, ki temelji na kontingenčni teoriji, ter ga z empirično raziskavo preverim, da zapolnim vrzeli v obstoječi literaturi trženja. Predlagani teoretski pristop k uspešnosti prodajalca upošteva relacijsko vedenje prodajalca in tudi njegove osebne lastnosti. Tak pristop je zelo pomemben, saj so dosedanje študije pogosto analizirale samo, kako so relacijske značilnosti določenega prodajalca (tj. prilagojena prodaja) povezane z različnimi izhodnimi spremenljivkami (denimo delovno zadovoljstvo in predanost organizaciji, uspešnost podjetja). Nadalje je razmeroma malo število študij neposredno povezalo relacijske lastnosti prodajalca z njegovo dejansko uspešnostjo kljub dejstvu, da je uspešnost pomembna spremenljivka za menedžerje (Stevens & Kinni, 2006) in tudi za akademike (Jones et al., 2003). Še manj študij je raziskovalo, kako osebne lastnosti prodajalca (tj. čustvena inteligenca) vplivajo na stik s kupci. V modelu, ki je predstavljen v tej disertaciji, preučujemo vpliv različnih relacijskih lastnosti prodajalca na njegovo osebno uspešnost, upoštevajoč pomemben vpliv osebnih lastnosti prodajalca na vzpostavljene odnose. Ta doktorska disertacija torej uvaja teoretični okvir za zaposlovanje prodajalcev na podlagi njihove čustvene inteligence in moralne sodbe, ki oblikujeta odnos med relacijskim vedenjem in uspešnostjo prodajalca.

Doktorska disertacija tudi prispeva k obstoječi literaturi tako, da analizira nelinearni vpliv uspešnosti prodajalca, kot sta prodajna naravnanost in naravnanost h kupcem. Uvajamo še nov empirični pogled na preiskavo reflektivno-reflektivnih spremenljivk višjega reda (npr. moralna sodba) ter tako sledimo predlogu Leeja in Cadogana (2013), ki pravita, da je za izpolnitev enodimenzijskega merila na obeh ravneh reflektivnega konstrukta višjega reda treba dimenzije prvega reda modelirati kot medsebojno neodvisne dejavnike.

Metodološki prispevki so v podrobnem pregledu skozi empirične raziskave pridobljenega znanja o konstruktih. Predlagane merske lestvice se preizkušajo v različnih okoljih in njihova univerzalnost se (ne) potrjuje. Študije te vrste so bile večinoma izvedene v ZDA in Aziji. Podobnih raziskav te obsežne teme nismo zasledili v izbranih državah (Bosni in Hercegovini ter na Hrvaškem), prav tako ne v Evropi (z izjemo Herche, Swenson & Verbeke, 1996). Ta disertacija torej ponuja novo znanje o konstruktih in spodbuja zavedanje o pomenu regionalnih študij za povečanje učinkovitosti regionalne prodaje.

Disertacija prispeva tudi k razumevanju prodajalcev v industriji v kontekstu tega geografskega območja in s tem tudi na vseh nastajajočih trgih. Glede na različne kontekste, znotraj katerih je bila raziskava izpeljana, je opravljen preizkus nespremenljivosti merjenja, kar se prav tako lahko šteje med samostojne prispevke disertacije. Metodološki prispevek dela je poleg tega v temeljiti empirični raziskavi, pri kateri je uporabljen širok spekter različnih metod in pristopov.

Disertacija ima pomembne implikacije za vodenje, saj praktikom pomaga razumeti predhodne dejavnike prodajne uspešnosti. Praktiki bi na podlagi ugotovitev te raziskave lahko ocenili, kdo bo uspešen prodajalec, glede na njegove osebne lastnosti. Eden od rezultatov disertacije je razvoj modela procesa, ki bo podjetjem omogočil profiliranje prodajalcev z večjo stopnjo uspešnosti (na podlagi njihove čustvene inteligence in moralne sodbe). S testiranjem moralne sodbe in čustvene inteligence prodajalca naj bi bilo mogoče napovedati, ali bo uporabljal prilagojeno prodajo in določene usmeritve ter ali bo to imelo za posledico vrhunsko uspešnost. Na ta način se dá postopek zaposlovanja preprosto vključiti v načrte podjetja. Ugotovitve disertacije poudarjajo tudi pomen individualnih treningov, ki bi se osredotočili na izboljšanje relacijskega prodajnega vedenja z izboljšanjem čustvene inteligence in razvojem lastnosti moralne sodbe pri posameznih prodajalcih.

Praktiki bi se, zasledujoč krivuljast pristop naravnanosti h kupcem in prodajni naravnanosti, lahko iz te disertacije naučili, da je pristop »večja kot je naravnanost h kupcem, bolje je« stvar preteklosti, in poskušali najti najprimernejšo stopnjo naravnanosti h kupcem v posameznem podjetju. Poleg tega smo vodjem prodaje ponudili nov pogled na prodajno naravnanost, saj je dokazano, da je spodbujanje SO včasih za podjetje lahko pozitivno.

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