Salesperson Goal Orientations and the Selling Performance Relationship: The Critical Role of Mediation and Moderation

Harri Terho · Liisa Kairisto-Mertanen · Danny Bellenger · Wesley Johnston

Abstract: Over the last two decades studies have demonstrated the importance of goal orientations in the context of selling and established a body of the main antecedents and outcomes. A closer look at the empirical findings reveals that the relationship between goal orientations and performance remains partly inconsistent as there is mixed evidence of the learning orientation performance relationship partly conflicting with theory. We propose that these findings can be clarified by studying moderation effects related to the nomological network of goal orientations. In testing a research model focused on the interrelations of goal orientations, selling experience, adaptive selling and salesperson selling performance, we confirm the established relationships and show that the learning orientation performance relationship is more complex than earlier studies suggest. The main findings regarding moderation effects indicate that the effectiveness of learning orientation is contingent on selling experience and that learning orientation affects performance also indirectly by helping salespeople adapt their sales styles more effectively. Ignoring these interaction effects will undermine the role of learning orientation in selling performance bearing also concrete implications for sales management.

Keywords: Selling behaviors · Goal orientations · Learning orientation · Performance orientation · Selling experience · ADAPTS · Salesperson selling performance · Interaction effects
Introduction

For any company wanting to be successful in business it is of the utmost importance to be able to identify and validate the salesperson characteristics and behaviors predictive of high performance in selling. In line with this thinking, a vast number of studies has been conducted in relation to selling behaviors, their individual and organizational antecedents, and salesperson performance (e.g. Franke and Park 2006, Guenzi, De Luca and Troilo 2011, Plouffe, Hulland and Wachner 2009).

Salesperson goal orientations have been found to be among the key drivers of various salesperson behaviors and selling performance. They refer to the individual differences in goal preferences in achievement situations (Dweck and Legett 1988, Kohli, Shervani and Challagalla 1998) and can be divided into two major classes, namely learning goal orientation which involves seeking to develop competence by acquiring new skills and mastering new situations, and performance goal orientation which involves seeking to demonstrate and validate one’s competence to others (Dweck and Legett 1988). During the last two decades their key antecedents and outcomes have been established in the context of selling (see Sujan, Weitz and Kumar 1994, Harris Moven Brown 2005, Ahearne, Lam, Mathieu and Bolander 2010). However, a closer look at the salesperson goal orientation studies reveals some key gaps and inconsistencies in the goal orientations performance relationship.

First, goal orientation studies have produced mixed findings related to the relationship between learning orientation and performance, ranging from clear positive relationships (e.g. VandeWalle, Brown, Cron and Slocum 1999) to no relationship (e.g. Kohli et al. 1998). Further, several studies have found that contrary to theory, performance orientation explains salesperson performance better than learning orientation (e.g. Porath and Bateman 2006). Some studies have suggested and also provided evidence to support the idea that the interaction between time and goal orientations might resolve these inconsistencies (Ahearne, Lam, Mathieu and Bolander 2010). Kohli et al. (1998) argued that learning orientation might not affect or might even hamper selling performance in the short term, but increase performance in the long term by enabling salespeople to develop their skills. The gaps in findings and the related propositions indicate that the largely unexplored question of the effect of salespersons’ selling experience on goal orientations should be studied more closely.

Secondly, studies have to date mostly concentrated on the direct key antecedents and outcomes of goal orientations. Scholars have recently called for new studies on selling that examine alternative types of relationship, including mediation and moderation, for a better understanding of the interrelations between selling behaviors and the mechanisms how they affect performance (see Plouffe, Hulland and Wachner 2009). As goal orientations concern the mental framework that individuals use to interpret and respond to achievement situations (Dweck and Legett 1988) and relate closely to learning, it is likely that they can affect selling behaviors not only directly but also through interaction, for example by helping salespeople adapt their selling style more effectively. Ignoring these potential indirect effects can lead to underestimation of various goal orientations’ role in selling performance indicating the need to study the topic more closely. Further, prior studies have found only little evidence of moderators of adaptive selling this far underlining the relevance of the taken perspective (see Franke and Park 2006).
This study seeks to fill the identified gaps in research on selling goal orientation by creating new understanding of the nomological network of goal orientations. The purpose of this research is to provide new in-depth knowledge on the interrelationships between salesperson goal orientations, experience, adaptive selling behavior and performance. We contribute by 1) examining more closely the role of experience in the goal orientation performance relationship, and 2) studying whether goal orientations affect selling performance indirectly through interacting with selling behaviors in addition to direct effects. We delimit our view of selling behaviors to adaptive selling, which has been found to be the single most influential customer directed selling behavior explaining selling performance and also directly linked to learning orientation (e.g. Plouffe, Hulland and Wachner 2009, Park and Holloway 2003).

Our work is organized as follows. We start by reviewing the literature and propose a research model together with hypotheses concerning the relationships between goal orientation, experience, adaptive selling and salesperson performance. Secondly, we present our research methodology including the sampling, data collection and measure validation procedures. Thirdly, we test the hypotheses based on moderated regression and present the results of the study. Finally, we discuss the findings and present implications for future research and management.

Current knowledge of salesperson goal orientations and performance

Salesperson goal orientations relate to the broader goals pursued by individuals and they have been defined as dispositional or situational goal preferences in achievement situations (VandeWalle 1997, Payne, Youngcourt and Beaubien 2007). Thereby they affect how salespeople interpret, evaluate and act in the pursuit of their task (Dweck and Legget 1988, Silver, Dwyer and Alford 2006). Goal orientations have traditionally been divided into two classes: performance goal orientation (PO) or ego orientation, in which individuals are concerned with demonstrating and validating their competence, and learning goal orientation (LO) or mastery orientation, in which the individuals look to develop their competence by acquiring new skills and mastering new situations (Dweck and Legget 1988, Sujan et al. 1994). The early research considered these two orientations the opposite ends of a single continuum but they are currently and universally seen as two separate dimensions among psychology and business scholars (Harris, Mowen and Brown 2005, Payne, Youngcourt and Beaubien 2007). Hence, a salesperson may adopt both learning and performance orientation simultaneously or score high only one goal orientation dimension (VandeWelle 1997). More recently, scholars have drawn a further distinction in performance orientation identifying two dimensions, namely performance-prove orientation referring to the desire to prove one's competence and gain favorable judgments on it, and performance-avoid orientation referring to the desire to avoid disapproval of competence and negative judgments thereon (VandeWelle 1997, Silver et al. 2006). Studies have provided some evidence that the three dimensional conceptualization of PO is preferable to a two dimensional conceptualization (see VandeWelle 1997, Silver et al. 2006). Still, some scholars have argued that the performance-avoid dimension works differently from the original conception of performance orientation being similar
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to the fear of failure construct (Jelinek, Ahearne, Mathieu and Schillewaert 2006). In this study, we focus on the traditional two dimensional conceptualization of goal orientations, limiting our view on performance orientation to the prove dimension, which is similar to the approach adopted by the majority of studies on selling (see Jelinek et al. 2006, Ahearne et al. 2010).

The various marketing studies have thus far built a rather consistent body of the key antecedents and outcomes of goal orientations in a selling context. Empirical results indicate that LO and PO work in different ways and have different antecedents and outcomes. Studies focusing on the antecedents have shown that stable salesperson personality traits explain goal orientations (Harris et al. 2005, McFarland and Kidwell 2006) but salespersons' orientations can also be affected by the employment of different supervisory feedback and orientations (Sujan et al. 1994, Kohli et al. 1998, Markose 2011). Also the findings related to the outcomes of goal orientations have started to display a clear pattern but remain still partly inconsistent and ambiguous as illustrated below.

Performance orientation is an extrinsic orientation aimed at achieving recognition from others involving a short term focus (e.g. Kumar et al. 1998). The studies in the context of education have traditionally associated PO with maladaptive behaviors and negative outcomes produced by the fear of failure (Dweck and Leggett 1988, Payne, Youngcourt and Beaubien 2007). However, the empirical studies in the selling context contrast sharply with the studies in a classroom setting indicating mostly a positive relationship between PO and selling performance, explained often by salespersons' greater efforts to attain goals (Kohli et al. 1998, McFarland and Kidwell 2006, Porath and Bateman 2006, Silver et al. 2006). Only avoid-PO has been shown to have a clear negative link to performance (see McFarland and Kidwell 2006, Silver et al. 2006, Porath and Bateman 2006). The short term nature of PO has been demonstrated recently in the context of organizational change where it was found to relate to smaller performance declines at the beginning but to lead to lower sales performance in the long run due to the shallower learning efforts (Ahearne et al. 2010).

Performance orientation’s focus on the present moment can also be seen in relationships found to salesperson behaviors. PO and its prove dimension has been found to relate to selling orientation (Harris et al. 2005) and working hard (Sujan et al. 1994), both targeting quick results. PO also links to broader behaviors such as territory and account planning (VandeWalle et al. 1999), intention to adopt sales technology (Jelinek et al. 2006), and to effective self-regulation tactics i.e. proactive behavior, emotional control and social competence (Porath and Bateman 2006). Overall, the outcomes of empirical findings in the selling context have supported frequently positive outcomes.

Learning orientation has traditionally been considered an essential issue in effective behaviors and high performance in the long term. Accordingly, several studies have found support for the direct link between salesperson LO and performance (VandeWalle et al. 1999, McFarland and Kidwell 2006, Silver et al. 2006, Porath and Bateman 2006). However, the link is not straightforward as there are also studies which have found no significant relationship to salesperson performance (see Kohli et al. 1998, Gong Huan and Farh 2009). Further, several studies examining both goal orientations have found that in sharp contrast to the theory PO actually explains
salesperson performance better than LO (see Kohli et al. 1998, Silver et al. 2006, Porath and Bateman 2006). Recently, Ahearne et al. (2010) found that the LO performance link is related to time as salesperson performance trajectories for learning orientated salespeople in organizational change show greater initial declines but steeper recovery curves and higher restabilization levels in the long run.

Studies indicate that the positive LO performance relationship is mediated through concrete salesperson behaviors. Significantly, a learning orientation is related to customer facing behaviors through encouraging and helping salespeople to adopt adaptive selling behaviors or working smart (Chai et al. 2012, Sujan et al. 1994, Park and Holloway 2003), and also helps them become customer oriented (Harris et al. 2005). LO affects also salespersons’ task related behaviors such as working hard (Sujan et al. 1994), goal setting (VandeWalle et al. 1999), intention to adopt sales technology (Jelinek et al. 2006) and effective self-regulation tactics (Porath and Bateman 2006). It has been even linked to salesperson creativity (Gong Huan and Farh 2009).

In sum, the empirical findings on the outcomes of goal orientations in selling show that both PO and LO are mainly positively linked to salesperson performance but for different reasons. Interestingly, the numerous studies establishing no LO-performance link or showing performance orientation’s stronger impact on performance provide a contrast to the theoretical arguments of LO’s key role in long term performance (see Silver et al. 2006). We argue that studying neglected interaction effects relating to goal orientations can clarify these unexpected findings.

The hypothesized relationships among salesperson goal orientations, experience, adaptive selling and performance

This study focuses broadening the current knowledge on the nomological network related to the relationship between goal orientations, selling experience, adaptive selling and selling performance through exploring the largely neglected mediation and moderation effects among the constructs (see Figure 1).

**Fig. 1:** The proposed research model
Main and mediation effects: H₁–H₄

The first four hypothesized main relationships have been largely confirmed in earlier studies. Adaptive selling behavior (ADAPTS) refers to the alteration of sales behaviors during a customer interaction or across customer interactions, based on perceived information about the nature of the selling situation (Weitz, Sujan and Sujan 1986). It can be theoretically linked to selling performance, as information gathering and the employment of a unique sales approach for each customer will most likely outweigh the costs of acting, confirmed by a recent meta-analysis (Spiro and Weitz 1990, Franke and Park 2006).

H₁ Adaptive Selling Behavior is positively related to salesperson sales performance.

A salesperson with a learning orientation (LO) enjoys the process of discovering how to sell effectively and how to improve the selling skills. More specifically, salespersons with strong LO are not afraid to make mistakes while selling and openly accept the challenges that come with facing difficult sales situations (Harris et al. 2009) This type of experimentation and active learning in sales work should help them to perform better through the development of skills and knowledge that are beneficial over a long period of time. LO should also help salespeople to gain crucial knowledge how to adjust their customer interactions more effectively based on the requirements of different selling situations i.e. to use adaptive selling approach (Sujan, et al. 1994, Kohli et al. 1998, Park and Holloway 2003). In turn, salespeople with a high performance orientation (PO) are motivated through extrinsic rewards such as money, promotion and respect from others, and are associated with behaviors focusing on short term performance (Harris et al. 2005). PO can be theoretically expected to be linked to performance in sales context as the desire for recognition should encourage salespeople to exert more effort in their job as well as to select their tasks in a way that maximizes their likely success level (Kohli, Shervani and Challagalla 1998, Bartkus and Howell 1999). The currently unstudied relationship between performance orientation and adaptive selling is not straightforward. On the one hand, performance oriented salespersons might be reluctant to try new selling techniques because of the possibility of failure (e.g. Harris et al. 2005) but on the other, salespersons might strive to adapt their selling style to specific customers to attain better results and demonstrate their competence to others (e.g. Jelinek et al. 2006). Overall, as both goal orientations represent abstract psychological constructs it is logical to expect that their performance effects realize through concrete intermediate salesperson behaviors such as adaptive selling behaviors (c.f. Porath and Bateman 2006, Zablah et al. 2012).

H₂a Learning Orientation is positively related to salesperson sales performance; H₂b however this relationship is mediated through Adaptive Selling Behavior.

H₃a Performance Orientation is positively related to salesperson sales performance; H₃b however this relationship is mediated through Adaptive Selling Behavior.
Finally, salespeople with a depth of sales experience have versatile models in their memory which they can apply to new situations, helping them employ more adaptive selling approaches. Accordingly, studies have found that sales experience from the industry and total sales experience are positively related to adaptive selling (Franke and Park 2006, Levy and Sharma 1994, Shoemaker and Johlke 2002) and also to sales performance (Behrman and Perreault 1984, Franke and Park 2006). Again, it is reasonable to expect that the impact of experience on performance is established through the adoption of more effective selling behaviors such as ADAPTS. Hence:

\( H_{4a} \) Selling Experience is positively related to salesperson sales performance; \( H_{4b} \) however this relationship is mediated through Adaptive Selling Behavior.

The selling experience is included to the research model as an independent variable rather than control variable because of its central role in the research framework and as the related moderation hypotheses can help understanding better the complex interrelationships among the constructs. This decision is supported also by studies emphasizing that the understanding of demographic variables can strengthen the knowledge of factors that affect sales performance, and enable managers to recruit, train and manage salespeople more effectively (see Franke and park 2006, Levy and Sharma 1994).

**Moderation effects: \( H_5 - H_8 \)**

The key argument of this study is that the interaction among constructs can shed new light on the partially inconsistent relationship between the salesperson goal orientations and performance. Several studies in the selling context have found no link between LO and performance (Kohli et al. 1998, Gong Huan and Farh 2009), and PO to explain salesperson performance better than LO (Kohli et al. 1998, Silver et al. 2006, Porath and Bateman 2006) despite the theoretical arguments of the importance of LO (e.g. Dweck and Legett 1988). We argue that LO works in a complex way underlining the need to examine interaction effects to explain better its role in selling performance.

First, we anticipate that selling experience can be expected to interact with learning orientation and also adaptive selling. Kohli, Shervani and Shallagalla (1998) proposed that the salesperson learning orientation performance relationship is dependent on time, i.e. LO might not positively affect or might even hinder, selling performance in the short term, but increase performance in the long-term. This is because salespeople with a strong degree of learning orientation are not afraid of making mistakes and are ready to spend time in challenging situations and with challenging customers, potentially hampering their short term performance but ultimately enabling salespeople to develop their skills and effective selling approaches (see Kohli et al. 1998, Harris et al. 2005). This idea has received support in the context of organizational change where LO was found first to hamper salesperson performance trajectories but in the long run to help salespeople recover faster and perform better due to deeper learning (see Ahearne et al. 2010). We expect this logic applies also to the unexplored question of salespeople’s experience and the LO-performance link. Less experienced
salespeople may first find their performance disadvantaged by LO but as they become more experienced they should be able to benefit from the outcomes of LO and outperform salespeople with shallower knowledge structures (Ahearne et al. 2010). In turn, selling experience should not interact with the PO-performance link as performance orientation denotes an extrinsic orientation to current performance so there is no theoretical basis to present a hypothesis for this relationship (e.g. Kumar et al. 1998). Finally, knowledge gained through experience can be hypothesized not only to help salespeople employ more adaptive selling approaches but also to become more effective in adaptation by applying the models lodged in their memory to selling situations (see Franke and Park 2006).

**H₅** The relationship between LO and performance will be weaker for salespersons with low experience and stronger for salespersons with high experience.

**H₆** The positive relationship between ADAPTS and performance will be stronger with salesperson experience.

Secondly, we expect that LO, relating to skill and ability development through learning, should help salespeople enact more effective selling behaviors, similar to the logic used in **H₆**. In other words, the preference for challenge and the acquisition of new skills that is associated with LO should help salespersons gain a better picture of selling situations and versatile behaviors, enabling them to become more effective in utilizing adaptations (c.f. Silver et al. 2006, Ahearne et al. 2010). Further, a salesperson may have learning and performance orientations simultaneously, as LO and PO represent two separate dimensions. It has been shown that perceived self-efficacy, or experienced job competence, moderates the PO-performance relationship as a lack of confidence is likely to cause salespersons to question their ability to effect successful outcomes through hard work (Sujan et al. 1994). We extend this logic and hypothesize that the learning related to LO can produce concrete tools for salespersons and increase their self-confidence, thus helping them improve the performance outcomes of PO (see Sujan et al. 1994, VandeWelle 1997). Finally, PO relates to a salesperson’s desire to demonstrate and validate their competence to others (Dweck and Legget 1988, Sujan et al. 1994). As it does not provide salespeople with any concrete means to develop their selling behaviors, it is logical to expect that it doesn’t moderate the ADAPTS - performance link. Hence, contrary to learning orientation there is no theoretical basis to present a hypothesis for this relationship.

**H⁷** The positive relationship between ADAPTS and performance will be stronger should the salesperson adopt a learning orientation.

**H₈** The positive relationship between PO and performance will be stronger should the salesperson adopt a learning orientation.
Methodology

Sampling and data collection

The research model is tested with data collected in the context of automobile selling in Finland. The sales force for the three of the ten biggest selling car brands in Finland were selected for the study comprising both B-to-C and B-to-B sales. These brands and their salespeople soundly reflect the entire car sales industry in Finland as the brand offerings cover the full range of size and price classes. The whole sales personnel handling these three brands was contacted for the study, a total of 774 salespersons to represent the entire car sales industry, and sent the research questionnaire plus a reminder should the first three week response deadline not be met (Brand A 221; B 357; C 196). A total of 198 responses was received, and excluding those with excessive missing values, the final number was 192 at a response rate of 24.8%. Armstrong and Overton’s (1977) procedure for estimating non-response bias was employed, comparing the first (N=146) and second (N=46) response waves. No significant differences were found, suggesting there were no serious problems associated with non-response bias.

Measures

Earlier studies have developed measures for all the constructs in the research model, so we used established scales to test the research model. Table 1 below summarizes the measures employed. The questionnaire was translated into Finnish, and then back into English, to ensure translation accuracy. Sales performance is measured through a subjective performance measure developed by Behrman and Perreault (1982) that has been widely employed in selling research. Adaptive selling is approached using the Spiro and Weitz (1990) ADAPTS scale. The learning and performance orientation measures draw on the work of Sujan, Weitz and Kumar (1994). Sales experience is a concrete topic measured with two items (see Bergkvist and Rossiter 2007). The items for each of the measures employed are presented in Appendix 1.

Table 1: Summary statistics for the measures

<table>
<thead>
<tr>
<th>Construct name</th>
<th>Number of items</th>
<th>Range</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Cronbach’s alpha / CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptive selling behavior</td>
<td>4</td>
<td>1.8-7.0</td>
<td>5.1</td>
<td>0.97</td>
<td>0.81 / 0.81</td>
<td>0.52</td>
</tr>
<tr>
<td>Learning orientation</td>
<td>4</td>
<td>2.8-7.0</td>
<td>6.1</td>
<td>0.75</td>
<td>0.85 / 0.87</td>
<td>0.62</td>
</tr>
<tr>
<td>Performance orientation</td>
<td>4</td>
<td>1.3-7.0</td>
<td>5.1</td>
<td>1.05</td>
<td>0.73 / 0.74</td>
<td>0.41</td>
</tr>
<tr>
<td>Selling experience</td>
<td>2</td>
<td>0.4-41.5</td>
<td>13.6</td>
<td>8.82</td>
<td>0.82 / 0.83</td>
<td>0.71</td>
</tr>
<tr>
<td>Selling performance</td>
<td>5</td>
<td>1.6-7.0</td>
<td>4.9</td>
<td>0.82</td>
<td>0.82 / 0.82</td>
<td>0.48</td>
</tr>
</tbody>
</table>

The reliability of the measures is considered sound as they all have Cronbach’s Alphas of over 0.81 and Composite Reliabilities (CR) of over 0.73. The confirmatory factor analysis supported the validity of the measures after removing problematic
indicators. The removal of items is not problematic for reflective measures because reflective indicators are interchangeable and construct validity is unchanged when an indicator is removed (Bollen and Lennox 1991). CFA exhibited a significant chi-square statistic (228.0; p=0.00), but the ratio of the Chi Square to the degrees of freedom was close to one (χ²/df= 1.6) and model fit was acceptable: CFI 0.94; TLI 0.92; RMR 0.08, and RMSEA 0.06 [0.04; 0.07]. The loadings were mostly higher than 0.6 and were all significant (p<.001) (see Appendix 1).

**Table 2:** Correlations and square root of AVE (squared AVE values bolded in diagonal)

<table>
<thead>
<tr>
<th>Construct name</th>
<th>ADAPTS</th>
<th>LO</th>
<th>PO</th>
<th>SE</th>
<th>SP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptive selling (ADAPTS)</td>
<td>.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning orientation (LO)</td>
<td>.29**</td>
<td>.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance orientation (PO)</td>
<td>.18**</td>
<td>.20**</td>
<td>.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling experience (SE)</td>
<td>.07</td>
<td>−.11</td>
<td>−.01</td>
<td>.84</td>
<td></td>
</tr>
<tr>
<td>Selling performance (SP)</td>
<td>.35**</td>
<td>.08</td>
<td>.18*</td>
<td>.30**</td>
<td>.69</td>
</tr>
</tbody>
</table>

The AVE values for performance orientation and selling performance constructs remained below 0.5 but otherwise exceeded 0.5. Further, all the squared AVE values were greater than related correlations supporting the Fornell and Larcker (1981) criterion for discriminant validity (see Table 2). Overall the tests indicate sufficient validity and reliability for the measures.

**Common method bias**

Common method variance may bias findings when both independent and dependent variables are obtained from the same source. Consequently, common method bias was tested using Harman’s one factor test. According to Podsakoff, MacKenzie, Lee and Podsakoff (2003, 889), common method bias is present when either 1) a single factor emerges from the factor analysis, or 2) one general factor accounts for the majority of the covariance among the measures. The principal component analysis conducted in this study generated 5 factors with eigenvalues higher than one. The first factor accounted for 23% of the variance, whereas the remaining 4 factors together accounted for 65% of the total variance, thereby indicating that common method bias is not a severe problem in this study. Moreover several hypothesized interaction effects were supported, providing support for the lack of severe biases, since interaction effects cannot be artifacts of common method bias (see Siemsen, Roth and Oliveira 2010).

**Analysis and results**

The hypotheses were tested by performing a series of regression analyses as the proposed research model included several mediation and moderation effects. First, hypotheses 1–4, including the main and mediation effects on selling performance were examined. Baron and Kenny (1986, 1176-1077) state that mediation occurs under the
following conditions: first, the independent variable must account significantly for the variations in the presumed mediator; second, the independent variable must be shown to affect the dependent variable; and third, the mediator must affect the dependent variable. If all these conditions hold in the predicted direction, mediation takes place when the effect of the independent variable on the dependent variable reduces when the mediator variable is added to the model. Consequently, three regression analyses were tested for studying mediation (see Table 3). Regression 1 was tested with adaptive selling behavior as the dependent variable to study the first condition, followed by regressions 2 and 3 with salesperson selling performance as the dependent variable focused on the two latter conditions.

Table 3: Results of Regression

<table>
<thead>
<tr>
<th></th>
<th>Regression 1: Main effects on adaptive selling behavior</th>
<th>Regression 2: Main effects on performance</th>
<th>Regression 3: Mediation effects on performance</th>
<th>Regression 4: Interaction effects on performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Effects:</td>
<td>Beta</td>
<td>T-value</td>
<td>Beta</td>
<td>T-value</td>
</tr>
<tr>
<td>LO</td>
<td>.28**</td>
<td>3.96</td>
<td>.08</td>
<td>1.18</td>
</tr>
<tr>
<td>PO</td>
<td>.13+</td>
<td>1.84</td>
<td>.17*</td>
<td>2.43</td>
</tr>
<tr>
<td>EXP</td>
<td>.10</td>
<td>1.43</td>
<td>.31**</td>
<td>4.60</td>
</tr>
<tr>
<td>ADAPTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction Effects:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADAPTSxEXP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOxEXP</td>
<td></td>
<td></td>
<td>.22**</td>
<td>3.39</td>
</tr>
<tr>
<td>ADAPTSxLO</td>
<td></td>
<td></td>
<td>.18**</td>
<td>2.63</td>
</tr>
<tr>
<td>POxLO</td>
<td></td>
<td></td>
<td>-.05</td>
<td>-.73</td>
</tr>
<tr>
<td>R²</td>
<td>.11</td>
<td></td>
<td>.13</td>
<td></td>
</tr>
</tbody>
</table>

Regressions 2 and 3 show that performance orientation (0.17*; 0.13+), experience (0.31**; 0.28**) and adaptive selling (0.31**) directly explain salesperson performance, supporting H₁, H₃a and H₄a (see Table 3). Interestingly, no relation was found between learning orientation and salesperson performance (.08ns.) leading to the rejection of H₂a. This result was aligned with the earlier studies which have found no relationships between LO and performance in contrast to the theoretical arguments of the importance of LO. Further, the comparison of the first three regressions indicates that the conditions for mediation were fulfilled for one relationship. More specifically, the relationship between performance orientation and sales performance is partially mediated through adaptive selling behavior supporting H₃b as the PO-performance relationship (0.17*) was significantly reduced in strength (0.13+) after including the ADAPTS constructs in the regression. However, based on the Sobel’s test, the
mediation effect found is weak as it is significant only at the 10% level (1.79, p<0.09). LO was strongly related to adaptive selling (.28**) but not found to explain performance (0.00ns.), and experience was not related to adaptive selling (0.10ns.) leading to the rejection of H2b and H4b.

Secondly, a fourth regression including interaction terms was tested to study the moderation hypotheses 5–8 (see Aiken and West 1991). The interaction terms were formed by multiplying mean-centered predictors as recommended by Cohen, Cohen, Aiken and West (2003). The mean-centering approach is used as it eliminates the multicollinearity problems. Regression 4 summarizes the results and shows that two significant interaction effects were found (Table 3).

More specifically, the relationship between learning orientation and performance is moderated by experience (.22**; ∆R² 0.05, p<0.01) supporting hypothesis H5 (see Table 3). To facilitate the interpretation of the moderation, we present the moderation effects graphically in Figure 2. Consistent with Aiken and West (1991), the values for the moderator were computed using the mean as the medium value, one standard deviation above the mean as the high value, and one standard deviation below the mean as the low value. Results indicate that the LO-performance relationship is negative for salespeople with low experience but becomes positive for salespeople with medium and high experience, helping to explain the non-significant direct relationship between learning orientation and performance.

Fig. 2: Interaction of learning orientation and selling experience
Further, the relationship between adaptive selling behavior and performance is moderated by learning orientation (.18**; ΔR² 0.03, p<0.01) supporting H7. Figure 3 demonstrates that learning orientation enables the salespersons not only to become more adaptive in selling but also to become more effective in their adaptive selling behaviors. In turn, experience did not moderate the relationship between ADAPTS and performance, and learning orientation did not moderate PO and the performance relationship, leading to the rejection of H6 and H8. Finally, as sales experience represents basically a demographic variable we run also an additional regression analysis with sales experience as a covariate for studying closer the amount of explained variance in sales performance due to the goal orientations and adaptive selling behaviors. As expected, the results confirmed that other constructs explain for the majority of sales performance (R² .194) when controlling for the effect of sales experience (R² .09).

Discussion

Theoretical implications

The key proposition of this study was that mediation and moderation effects can help clarify the inconsistent and unexpected empirical findings related to the relationship between goal orientations and performance. The findings support this idea as the moderation effects significantly alter the findings relating to the performance outcomes of learning goal orientation. The key findings are discussed below in more detail in the light of theory.
First, the results concerning the examined direct effects on performance were largely aligned with the earlier empirical findings. As expected, adaptive selling behavior was found to be the most central individual issue explaining salesperson selling performance (see Harris et al. 2005, Park and Holloway 2003), closely followed by salesperson selling experience (see Behrman and Perreault 1984). Performance orientation was also found to predict directly performance in contrast to learning orientation. Interestingly, the findings are aligned with several other earlier empirical studies in the selling context, showing that performance orientation explains salesperson performance better than learning orientation (see Kohli et al. 1998, Silver et al. 2006, Porath and Bateman 2006) and findings establishing no direct effect between learning orientation and selling performance (Kohli et al. 1998, Gong Huan and Farh 2009), which sharply conflicts with the theoretical arguments on learning orientation’s key role in performance (e.g. Sujan et al. 1994). Hence, the results concerning the direct effects provide additional support for the idea that performance orientation is a positive issue in the selling context, in contrast to the traditional findings in education settings (Dweck and Leggett 1988, Payne, Youngcourt and Beaubien 2007), but suggest that learning orientation does not play a direct key role in explaining salesperson performance.

Secondly, mediation effects were examined in addition to the direct performance relationships. Since the goal orientations and experience represent the broader goals of the salespeople, it is logical to expect that their performance effects are realized through concrete behaviors (see Porath and Bateman 2006). As hypothesized, learning orientation was the key antecedent of adaptive selling, related to the process of discovering how to improve selling and develop the skills and knowledge to adapt selling styles to customers (see Sujan, et al. 1994, Kohli et al. 1998, Park and Holloway 2006). However, no mediation was established since learning orientation did not relate directly to performance. Interestingly, hypothesized positive link between performance orientation and adaptive selling was supported, also partially mediating the relationship found to selling performance. This indicates that also extrinsic performance orientation can encourage salespersons to adapt their selling styles to specific customers in order to demonstrate their competence to others, rather than lead to reluctance to try new selling approaches in order to avoid failure (see e.g. Jelinek et al. 2006). Contrary to earlier findings, selling experience did not relate to adaptive selling behaviors and no mediation was established (see Franke and Park 2006, Levy and Sharma 1994, Shoemaker and Johlke 2002). Hence, our data indicate that salesperson goal orientations directing how salespeople interpret, evaluate and act in the pursuit of their task (Dweck and Leggett 1988) appear to be superior enablers of adaptive selling behaviors for salespersons compared to general selling experience (c.f. Ahearne et al. 2010, p. 76, Gengler, Howard and Zolner 1995).

Thirdly, as hypothesized, the examination of the interaction effects alters the main findings significantly. The found moderation effects demonstrate that learning orientation is central to selling performance although the relationship is complex. First of all, the relationship between learning orientation and selling performance is contingent on selling experience. The finding supports the propositions in the literature that learning orientation might not affect, or might even hinder, selling performance in the short term, but increases performance in the long term by helping salespeople
develop their skills (see Kohli et al. 1998). The findings indicate that learning orientation has a negative relationship to selling performance for less experienced salespeople but the relationship becomes slightly positive for salespeople with medium experience, and even more so for persons with high experience (see Figure 2). This finding extends the recent discovery of Ahearne, Lam, Mathieu and Bolander (2010) that the effectiveness of learning orientation is dependent on time. The finding underlines the long term time horizon required for learning orientation (Sujan, et al. 1994).

The moderation effect of learning orientation on adaptive selling further demonstrated its indirect and complex nature. Besides helping salespersons become more adaptive in selling, learning orientation affects performance indirectly by helping them become more effective in their adaptive selling efforts as demonstrated in Figure 3. This moderation indicates that the learning oriented salespersons’ interest in challenges and the acquisition of new skills enables them to improve their ability to adapt by capturing a better picture of selling situations and potential applicable behaviors (c.f. Silver et al. 2006, Ahearne et al. 2010). Interestingly, the related moderation hypothesis concerning salesperson experience was not supported, indicating that the simple accumulation of experience does not help salespeople adapt more effectively (c.f. Ahearne et al. 2010, p. 76); Franke and Park 2006, p. 699). Active experimentation and learning are essential to becoming more effective in the use of adaptive selling behavior\(^1\). Learning orientation was not found to help increase the benefits of performance goal orientation.

The significance of the moderation effects found is made clear by the fact that they increase the explained variance from 0.22% to 0.29% (see Table 3). As the studies examining key selling behavior have typically explained around 10–20% of the variance in salespeople’s performance, the 7% increase in the variance explained can be considered highly substantial (see Franke and Park 2006). The centrality of the established moderation highlights the need to incorporate the interaction effects in future goal orientation studies in order to understand better the role of goal orientations and the mechanisms by which they affect salesperson performance. Finally, the empirical results show that LO and PO have relatively low intercorrelations as well as different outcomes, mediators and moderators providing support that the examined goal orientations are distinct constructs rather than representing opposite ends of one continuum.

**Managerial implications**

We studied the interrelationship between salesperson goal orientations, experience, adaptive selling behavior and selling performance. Salesperson goal orientations comprise performance orientation concerning the demonstration and validation of competence to others, and learning orientation concerned with developing competence by acquiring new skills and mastering new situations. The study confirms

\(^1\) We tested also the moderation effects of performance orientation on adaptive selling and no significant interactions were found as expected. Hence PO does not help salespeople adapt more effectively. The results point out further the short term focus of performance orientation and indicate that its outcomes are limited to direct effects on performance in contrast to LO.
that the examined variables are linked to salesperson selling performance. Interestingly, the results show that salesperson experience is connected to selling performance, but it does not explain the adoption of new selling approaches or achieving more efficient adaptation. Instead, the learning and performance orientations affecting how salespeople interpret, evaluate and act in the pursuit of their task operate as the key drivers to adopting new selling behaviors. Hence, management should primarily consider these orientations in developing and managing salespeople, and motivate, train and reward them accordingly. Performance orientation is more directly linked to short term selling performance by encouraging salespersons to devote effort to issues they perceive to be central to performance, whereas learning orientation is the main enabler for salespeople to adopt effective selling approaches in the long run.

We found further that even though learning orientation is a major predictor of high selling performance, the link is dependent on selling experience. Our results show that learning orientation can initially hamper the performance of salespeople but becomes a central predictor of both effective selling behaviors and selling performance in the long run. As the recruitment of new salespeople represents a considerable investment for firms, we encourage sales managers to look for learning oriented staff and consider the longer time frame in managing and evaluating them to maximize long term performance.

Generalizability, limitations and future research

The study has been conducted in a single industry setting but there are several facts that indicate that the findings can be generalized to broader settings. First, the empirical results of this study are logical and highly aligned with the theoretical arguments made providing evidence of the general rather than industry or culture specific nature of the results. Secondly, the findings concerning the direct relationships among the key constructs are parallel to the established body of research from different industries and cultural settings supporting the stability of our findings. Thirdly, the main focus of this article has been examining the mixed findings in relation to goal orientations, that is, studies finding no significant relationship between LO and salesperson performance or findings indicating that PO actually explains salesperson performance better than LO sharply contrasting theory. These results have been reported by US studies representing a variety of industries including ICT (Porath and Bateman 2006), industrial (Kohli et al. 1998), and insurance sales contexts (Gong et al. 2009, Silver et al. 2006). This fact underlines that the earlier problematic findings between goal orientations and performance are not limited to certain specific industries or cultures and that the found moderation effects are likely to help in explaining these mixed results. Overall, the above points provide support the generalizability of the findings. Still, we underline that the study is based on single industry sample and hence all generalizations should be done with caution and we call for new studies to replicate the results in other cultural and industrial settings.

We recognize that this study has also limitations. The study is based on a cross-sectional, single respondent research design including subjective performance
assessments vulnerable to respondent bias. Although subjective performance measures are more problematic than objective measures, meta-analyses have provided evidence that the use of subjective selling performance measures does not significantly alter research findings when compared to that of objective measures (e.g. Churchill et al. 1985, Jaramillo et al. 2007). Also, the common method bias tests and uncovered interaction effects indicate that common method bias is not a major concern here. Nevertheless, it is clear that the use of objective performance measures would improve the validity of the findings. Secondly, it should be noted that our study was delimited to the two dimensional conceptualization of goal orientations. Although the study contributes specifically to the moderation of learning orientation and the results in relation to performance orientation were logical, a closer scrutiny of moderation effects related to performance prove and avoid orientations could extend the results further.

Finally, our findings show that the moderation effects can be very fruitful in understanding the interrelations of various selling orientations and behaviors as well as the mechanisms through which they affect performance. As the list of studied constructs is by no mean exhaustive, we call for new studies extending the examination of goal orientations’ interaction with other close selling behavior constructs such as customer orientation (Saxe and Weiz 1982), selling skills (Rentz, Shepherd, Tashchian, Dobhokar and Ladd 2002), sales service behaviors (Ahearne et al. 2007), opportunity recognition (Bonney and Williams 2009), or salesperson listening behaviors (Ramsey and Sohi 1997).

References


Appendix 1

Questionnaire

Indicators, followed by the indicator loadings, all indicators significant at p<0.01**

Learning Orientation (based on Sujan Weitz and Kumar 1994)

LO1 An important part of being a good salesperson is continually improving your sales skills 0.82**

LO2 It is important for me to learn from each selling experience I have 0.81**

LO3 Learning how to be a better salesperson is of fundamental importance to me 0.78**

LO4 I’m always learning something new about my customers 0.74**

Performance Orientation (based on Sujan Weitz and Kumar 1994)

PO1 I very much want my co-workers to consider me to be good at selling 0.68**

PO2 I feel very good when I know I have outperformed other salespeople in my company 0.64**

PO3 I always try to communicate my achievements to my manager 0.59**

PO4 I spend a lot of time thinking about how my performance compares with other salespeople's 0.65**

**AD1** When I feel that my sales approach is not working, I can easily change to another approach 0.80**

**AD2** I can easily use a wide variety of selling approaches 0.82**

**AD3** I am very flexible in the selling approach I use 0.65**

**AD4** I feel confident that I can effectively change my planned presentation when necessary 0.60**

Selling Experience

**SE1** How many years have you been a salesperson? 0.88**

**SE2** How many years have you been selling cars? 0.80**

Selling Performance (based on Behrman and Perreault 1982)

**SP1** Identifying major accounts and selling to them 0.79**

**SP2** Generating a high level of euro sales 0.85**

**SP3** Selling high profit margin products 0.72**

**SP4** Attaining sales targets 0.55**

**SP5** Developing long-term customer relationships 0.50**