

# Athanasios Poulis, Zazli Lily Wisker

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## Emotional Intelligence – Sales Performance Relationship : a Mediating Role of Adaptive Selling Behaviour

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**Zazli Lily Wisker**

*Faculty of Business, American University of the Middle East*

**Athanasios Poulis**

*Faculty of Business, American University of the Middle East*

## **Emotional Intelligence – Sales Performance Relationship: A Mediating Role of Adaptive Selling Behaviour**

### **Abstract**

In this study, we examined the impact of emotional intelligence on sales performance. We posited that the impact of emotional intelligence (EI) on sales performance was mediated by adaptive selling behaviour (ASB). Data were collected from 281 sales people in the financial industries in Malaysia via the WLEIS emotional intelligence scale and ADAPTS adaptive selling behaviour scale, and were quantitatively analysed using structural equation modelling (SEM). Results were in keeping with the model. Three domains of EI were not found to impact sales performance directly but through ASB. Theoretical implications and managerial ramifications were also discussed.

**Keywords:** Emotional intelligence (EI), adaptive selling behaviour (ASB), sales performance.

**JEL:** M310, M100

### **Introduction**

Today's marketing environment is complex; the market is extremely competitive, technology is making alternatives and low-distribution methods possible, product life-cycles are accelerating, and customers are becoming less loyal and more sophisticated

while at the same time becoming more demanding. As a result, the nature of buyer-seller exchanges and account management has shifted from a simplistic production-and-sales perspective to a more complex role of partnering with customers [Dwyer, Schurr, Oh, 1987; Weitz, Bradford, 1999]. Competing in this environment requires firms to possess the best possible group of salespeople. Good salespeople continue to have a value in firms in generating sales and building strong, loyal customer relationships. In fact, salespeople play a key role not only in customer relationship management but also in understanding, creating, communicating and delivering values to customers, which in turn increases the sales performance of the firm [Paparoidomis, Guenzi, 2009; Weitz, Bradford, 1999]. Therefore, it is not surprising that for decades sales management researchers have invested time in studying determinants of salesperson performance. Researchers have come to agree that role perception, aptitude, skill level and motivation level are the main determinants of salesperson performance [Churchill et al., 1985]. Although in recent years there has been considerable and growing interest in the concept of emotional intelligence [EI] in the Organizational Behaviour, Human Resources, and Management literature [O'Boyle Jr. et al., 2010], it has yet to receive sufficient attention in the sales performance literature. The research areas in the Organizational Behaviour, Human Resources and Management literature stress the importance of EI as a predictor of leadership, negotiation skills, perception of trust in leader-member relationship, organizational citizen behaviours, work-family conduct, and work performance [Ashkanasy, Daus, 2002; Carmeli, Josman, 2006; Cote, Miner, 2006; Dulewicz et al., 2005; Humprey et al., 2008].

The theory of emotional intelligence was set forth by the Harvard psychologist; Gardner in 1983. He based his theory upon the social intelligence concept developed by Thorndike in 1920. Gardner's concept was then expanded by Mayer and Salovey in the early 1990s; however, it did not come become popular until Goleman published his book in 1995. The concept of emotional intelligence has been developed in the fields of neuro-psychology and neuro-science, and focuses on a patterned structure of responses that regulates emotions: in particular, it focuses on the role of brain connectivity between the amygdale and the neural cortex [Roche, 2004]. Despite its recent emergence in the literature, it already includes a large number of domains. Of these many domains, four main approaches to emotional intelligence have been widely used in recent years – the EQ-i Bar On; the ECi Goleman approach; the Four Branch Model of Mayer, Salovey and Caruso [MSCEIT]; and the Four Dimension EI approach of Davies, Stankov and Roberts [1998] [Law et al., 2004; Rahim, Psenicka, Zhao, Yu, Chan, Kwok Wai et al., 2002]. Although a variety of EI domains have been conceptualised over the years, the modern interest in EI began with Mayer and Salovey [1997]. They [1990] describe emotional intelligence as a form of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use them to guide one's thinking and action. Their concept of emotional intelligence has been built upon by Mayer et al. [1997; 2000], who suggest the four-branch model as the construct of emotional intelligence: (1) the

ability to accurately perceive, appraise and express emotion; (2) the ability to use emotion to facilitate thinking; (3) the ability to understand the temporal course and probable outcome of emotions; and (4) the ability to regulate emotions effectively. They also claim that emotional intelligence is a form of intelligence in that the development of emotional intelligence increases with age [Mayer, Salovey, 1997]. It is important to recognise, however, that the various theoretical perspectives regarding emotional intelligence are not mutually exclusive. In a meta-analytic study, Van Roy and Viswesvaran [2004, p. 72] described EI as “the set of abilities [verbal and non-verbal] that enable persons to generate, recognize, express, understand, and evaluate their own, and others’ emotion in order to guide thinking and action that successfully cope with environmental demands and pressures.” In this study, we adopt the Law, Wong and Song EI measures, WLEIS [2004], which are based on Mayer and Salovey [1997] and Mayer et al. [2000] This EI theoretical model examines the four domains of EI separately.

Given that EI was initially made known through a series of articles [Gibbs, 1995] and trade books [Goleman, 1995; 1998] with little or no analytic evidence established, it is not surprising that EI has received robust criticism by few scholars and has received less attention among sales management researchers. For example, EI is often considered as an elusive and vague concept and as more of a myth than a science [Matthew et al., 2004]. These initial negative opinions on EI, according to Mayer et al. [2004], resulted from the lack of empirical research evidence. Although there is much argument surrounding the nature and validity of EI, it is also clear that the concept and domain of EI has been gradually accepted in numerous studies [Davies et al., 1998; Mayer et al., 1997; 2004; Law et al., 2004; Chrusciel, 2006]. For example, several empirical studies have found a positive association between EI and performance [e.g., Dulewicz et al., 2005; Jennings, Palmer, 2007; O’Boyle Jr. et al., 2011; Semadar et al., 2006]. O’Boyle Jr. et al. [2011], in their meta-analysis, found a relationship between EI and job performance over and above cognitive intelligence and the personality traits in all three streams studied. They concluded that “EI represents one important predictor of job performance” [O’Boyle Jr. et al., 2011, p. 806]. Similarly, Van Roy and Viswevaran [2004] provide empirical support for the positive impact of EI on performance. In contrast, others found an inconsistent or non-existent relation between EI and performance on particular tasks [Austin, 2004], academic performance [Petrides et al., 2004], and supervisory ratings [Wong, Law, 2002]. Interestingly, Tae and Won-Moo [2011] found that three domains of EI – appraisal of emotions, optimism, and social skills – were negatively related to job performance.

Although the previous empirical studies have been helpful in contributing to the body of knowledge, our present study builds upon the literature in a few ways. First, there are few empirical studies in sales literature focusing on the impact of EI on sales performance. Since EI is a form of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use them to guide one’s thinking and action [Mayer, Salovey, 1997], it would be fair to argue

these are some of the skills required for building relationships between salespeople and clients, which in turn could influence sales performance. Second, few empirical studies have examined the components of EI domains that impact performance separately. As Carmeli and Josman's empirical study points out, "it is not clear which emotional intelligence components implicate which type of work performance . . . it is important to establish which specific components of the emotional intelligence model relate to work outcomes" [Carmeli, Josman, 2006, p. 415]. We respond to Carmeli and Josman [2006] by examining the impact of various EI domains on sales performance separately. Third, Cote and Miners [2006] conclude that the relationship of EI to performance is not always linear. In response, we argue that the effect of EI on sales performance can be extended through a mediator.

In particular, this study addresses the following two broad research questions:

- To what extent does EI influence the sales performance of a salesperson?
- Does adapted selling behaviour mediate the relationship between EI and sales performance?

## Emotional Intelligence and Work Performance

Despite the debate surrounding the concept and constructs of EI, several studies have shown positive associations between EI and leadership, and to some extent individual work performance and team performance [Dulewicz et al., 2005; Longhorn, 2004; Mayer, Caruso, 2002]. A growing body of research suggests that EI provides basic competencies that are important in almost any job. In fact, EI is claimed to be a better predictor of success than the traditional measure of general intelligence, IQ [Goleman, 1998; Pellitteri, 2002]. For example, Goleman [1998] found that 67% of the abilities that are regarded as essential for effective performance were emotional competencies, and EI accounts for almost twice as much as IQ and expertise. The higher an individual rises in an organisation, the more important EI becomes, compared to IQ and technical skills [Goleman et al., 2002]. Dulewicz et al. [2005] provide some initial evidence that EI (9.2%) makes the greatest contribution to overall performance when compared to general intelligence (5.0%) and managerial competencies (6.1%). Emotional intelligence can enhance the job performance of individuals even with low cognitive skills through the quality of social relationships [Cote, Miners, 2006]. If job performance is not attained through cognitive intelligence, it can be attained through EI via multiple complementary mechanisms, such as interactions with co-workers, supervisors and support staff [Cote, Miners, 2006].

In the leadership literature, researchers found that leaders who are emotionally competent were better performers and more successful [Brown, Moshavi, 2005; Mayer, Caruso, 2002]. An emotionally competent leader correlates with an emotionally competent group

norm, which in turn affects the team performance. Dulewicz et al. [2005], in studying the leadership of navy officers across seven different ranks, found that EI accounts for the greatest contribution to overall performance. Another study that took place in a retail industry found that EI was negatively related with workplace distress and stress, and positively related with emotional well-being, morale, quality of work life, and overall performance ratings [Slaski, Cartwright, 2003]. Interestingly, although Wong and Law [2002] found that the EI of leaders was positively related to job satisfaction and extra-role behaviours of followers, no relationship was found between the EI of leaders and the job performance of their followers. Similarly, Feyerherm and Rice [2002] discovered that the higher the EI of the team leader, the worse the team's performance, concluding that highly emotional intelligent people tend to focus on their own performance and hence neglect the team. Langhorn [2004] found no support for the view that age-related EI was associated with performance. A person with high EI may employ their abilities to develop good social relationships that can boost task performance through advice and social support [Wong & Law, 2002]. For instance, the ability to be empathetic and understand both one's own emotions and the emotions of others would enable one to establish a rapport with and effectively manage subordinates [Semadar et al., 2006]. Further, the ability to manage and control emotional states such as anger and frustration can be conducive to a more stable working environment [Newsome et al., 2000]. In addition, Cote and Miners [2006] found that EI is an important predictor of job performance due to its interactive effect with cognitive intelligence. Previous research has also explicitly proposed that EI relates to task performance in independent and complementary linear ways [Mayer et al., 2000; Cote et al., 2003]. Bardzil and Slaski [2003] suggest that if a manager has interpersonal skills [one of the emotional intelligence constructs], then s/he can evaluate the emotional states of customers in order to identify their needs [Chrusciel, 2006]. This could lead to gaining competitive advantage. This suggestion is supported by Longhorn's [2004] empirical study on the restaurant industry. The study that uses Bar-On EQ-i [1997] measures found that EI is positively related to customer satisfaction, which in turn increases the performance of the firm [Longhorn, 2004]. Interestingly, the study also found that EI is able to predict team turnover.

In the sales literature, it is recognized that the sales account management job requires a sales account manager to deal with emotional skills and maintain self-control when under pressure in almost all sales tasks [Churchill et al., 1988]. Researchers have found that a salesperson's performance is related to his/her ability to manage various social problems and deal with motivational and emotional problems that arise due to negative feedback and failures [Brown et al., 1997]. A salesperson is also required to understand the feelings of others and the reasons behind them in order to persuade them into entering the sales-purchase contract. A salesperson of high emotional intelligence will be resilient and able to maintain self-control and deal with difficult situation [Sjoberb, Littorin, 2003]. Summarising the discussion above, we hypothesise the following:

- H<sub>1a</sub>: EI -1: Self-emotion appraisal is positively related to sales performance.*
- H<sub>1b</sub>: EI-2: Others-emotion appraisal is positively related to sales performance.*
- H<sub>1c</sub>: EI-3: Use of emotion is positively related to sales performance.*
- H<sub>1d</sub>: EI-4: Regulation of emotion is positively related to sales performance.*

## **Adaptive Selling Behaviour (ASB)**

The concept of adaptive selling behaviour has been examined and developed over the last few decades [Park, Holloway, 2003; Spiro, Weitz, 1990; Weitz et al., 1986]. Generally, adaptive selling behaviour refers to alterations in the selling strategies, tactics, social style, verbal communication and physical appearance of the seller [Giacobbe et al., 2006]. Nonetheless, over the years, the definition of *adaptive selling behaviour* has evolved to reflect the philosophy of selling and marketing in that era. In the late 70s to early 80s, when ‘hard sell tactics’ were popular, adaptive selling behaviour was defined as “required persuasive techniques and the selection and use of appropriate methods” [Weitz, 1981, p. 502]. In comparison, in the late 80s, adaptive selling behaviour was defined as “the altering of sales behaviour during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation” [Weitz et al., 1986, p. 175]. In today’s relationship marketing era, buyers are more experienced, educated and powerful; consequently, the definition of adaptive selling behaviour has changed to reflect this condition: “a complex process that emphasizes customised solutions to fit each buyer” [DelVecchio, Zemanek, McIntyre, Claxton, 2004, p. 859].

## **Emotional Intelligence and Adaptive Selling Behaviour**

Since EI is a form of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, a salesperson high in EI is expected to be able to adapt his/her selling behaviour to customise solutions to each potential buyer’s needs. As a salesperson engages in active listening and becomes sensitive to the feelings and emotions of others, that salesperson develops a greater ability to understand the unique set of needs and problems of the customer, which could lead to adaptive selling behaviour [Pelham, 2008]. As Giacobbe et al. [2006] developed a model of the relationship between adaptive selling behaviour and sales performance, they argue that empathic ability towards customers and the ability to pick up contextual cues and modify one’s own behaviour are some of the domains that moderate the relationship between ASB and sales performance. Arguably, these are the domains of emotional intelligence [Mayer, Salovey, 1997; Wong,



Law, 2002]. Based on this argument, it is fair to predict that ASB mediates the relationship between EI and sales performance. Hence, we posit the following:

*H<sub>2a</sub>: EI -1: The effect of self-emotion appraisal on sales performance is mediated by adaptive selling behaviour.*

*H<sub>2b</sub>: EI-2: The effect of others-emotion appraisal on sales performance is mediated by adaptive selling behaviour.*

*H<sub>2c</sub>: EI-3: The effect of use of emotion appraisal on sales performance is mediated by adaptive selling behaviour.*

*H<sub>2d</sub>: EI-4: The effect of use of regulation of emotion on sales performance is mediated by adaptive selling behaviour.*

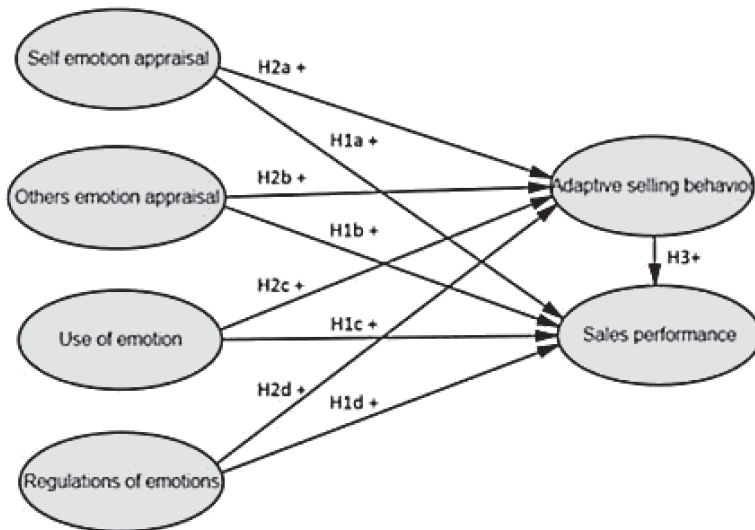
## **Adaptive Selling Behaviour and Sales Performance**

The relationship between ASB and sales performance outcomes is well acknowledged in the sales literature [Anglin et al., 1990; Giacobbe et al., 2006; Sujana et al., 1994]. For example, several studies have found that adaptive selling behaviour exerts a positive influence on a salesperson's regular performance, closing ratios, and the effectiveness of a sales department and unit [Johlke, 2006]. However, the practice of adaptive selling arguably would be successful provided that the salespeople are predisposed to its facets, such as the recognition of different selling approaches and the ability to use them, and the collection of information about the sales situations to facilitate this adaptation [Spiro, Weitz, 1990]. Information about the market plays important roles in the success of adaptive selling practices, which in turn influences the sales performance [Spiro, Weitz, 1990]. Based on this finding and argument, it is fair to predict that ASB impacts sales performance. Therefore, we posit the following:

*H<sub>3</sub>: Adaptive selling behaviour is positively related to sales performance.*



FIGURE 1. Research Model



Source: own elaboration.

## METHODOLOGY

### Data Collection

Data were collected from account managers in the financial industry in Malaysia. The survey was distributed to 1441 account managers in December 2011, drawn randomly from the 29 finance companies including stock broking houses in Malaysia that were registered with Central Bank (*Bank Negara*). Subsequently 281 usable replies were received, yielding a 19.5% response rate. Twenty randomly selected non-responding managers were contacted by telephone to directly ascertain reasons for non-response. This revealed that the main reasons were (1) ineligibility, such as no longer having direct contact or making sales presentations to customers, or (2) time constraints which prevented participation in the survey.

### Measures

To measure EI, we used the self-rating emotional intelligence scale WLEIS [Law, Wong, Song, 2004]. WLEIS was developed based on the EI theoretical concepts of Mayer and Salovey [1997]. This measure has been validated and replicated by many scholars. To conclude the validity of WLEIS, O’Boyle Jr. et al. stressed that “specifically, more

research needs to be conducted to assess the validity-based measures of EI (e.g., MSCEIT V2.0) as compared to self-report measures WLEIS...” [2011, p. 789]. The response format of this measure is a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree Nor Disagree, 4 = Agree, 5 = Strongly Agree). The 16 items of the WLEIS measure four EI-related sub-constructs: self-emotions appraisal, others-emotions appraisal, use of emotion, and regulation of emotion – each of which has four items. Sample items include the following: “I have a good sense of why I have certain feelings most of the time” (Self-Emotion Appraisal); “I always know my friends’ emotions from their behaviour” (Others-Emotions Appraisal); “I am a self-motivating person” (Use of Emotion); and “I am quite capable of controlling my own emotions” (Regulation of Emotion). Table 1 presents the scale reliabilities for the EI constructs.

**TABLE 1. Scale Reliability Coefficients (Alphas)**

Emotional Intelligence

Variables	Cronbach Alpha $\alpha$	
	Sample	No. of items
EI 1 – Self-Emotions	.89	4
EI 2 – Others Emotion	.91	4
EI 3 – Use of Emotion	.89	4
EI 4 – Regulation of Emotion	.87	4

Source: own elaboration.

We also used Exploratory Factor Analysis testing to examine whether the four EI dimensions would emerge as separate factors. Because we are more interested in understanding the correlations among constructs and have expected these constructs to be somewhat correlated to each other, the Principal Factor Analysis method with Varimax rotation was selected as the rotation method [Leech et al., 2014]. We ran a single factor analysis on all sixteen [16] EI indicators and managed to extract 4 factors. The sample accounts for 69.64% of the variance in total, indicating strong support for the separation of EI items into four distinct variables: EI self-emotions, EI others-emotions, EI use of emotion, and EI regulation of emotion. Table 2 details out the results.

**TABLE 2. Exploratory Factor of Emotional Intelligence**

Items	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
I always tell myself I am a competent person.	.78				.78
I am a self-motivated person.	.73				.76
I always set goals for myself and try my best to achieve them.	.69				.78
I would always encourage myself to try my best.	.69				.55
I can always calm down quickly when I am angry.		.80			.71
I am able to control my temper so that I can handle difficulties rationally.		.78			.83
I am quite capable at controlling my own emotions.		.75			.63
I have a good control of my own emotions.		.61			.73
I am a good observer of others' emotions.			.88		.76
I always know my friends' emotions from their behaviour.			.81		.73
I have a good understanding of the emotions of people around me.			.69		.68
I am sensitive to the feelings and emotions of people around me.			.69		.59
I really understand what I feel.				.73	.65
I have a good understanding of my own emotions.				.69	.77
I have a good sense of why I have certain feelings most of the time.				.67	.74
I always know whether I am happy or not.				.45	.55
% of variance	23.75	16.62	15.09	14.20	

Determinant = .003, Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .793      Sigma = .000

Source: own elaboration.

Adaptive selling behaviour was measured via seven items from the adaptive selling scale (ADAPTS), first developed by Spiro and Weitz [1990]. The items for ASB include "I treat all customers pretty much the same". This was measured on a 5-point Likert scale with the endpoint anchors being 'Strongly Disagree' and 'Strongly Agree'. The measure also proved to be adequately reliable by its coefficient alpha of .80. Table 3 presents factor loadings for ASB items for the sample. The results are all substantial and statistically significant. The scale reliability for ADAPTS has a coefficient alpha of .92.

**TABLE 3. Standardised Factor Loadings for Latent Adaptive Selling Behaviour**

Items		
	Factor Loadings	Communalities
ASB7 – I change my approach from one customer to another.	.77	.73
ASB5 – I treat all customers pretty much the same.	-.74	.70
ASB6 – I like to experiment with different sales approaches.	.70	.792
ASB1 – I am flexible in the selling approach I use.	.67	.65
ASB4 – I do not use a set sales approach.	.62	.74
ASB2 – I can easily use a wide variety of selling approaches.	.61	.65
ASB3 – I vary my sales style from situation to situation.	.61	.68
Determinant	.003	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.771	
Sigma	.000	

Source: own elaboration.

We adopted both subjective and objective performance measures. The objective performance measure is defined as the percentage of accounts held over the annual target for the previous three years. The item for objective performance was “What were your actual sales compared to target sales during each of the last three years expressed as a percentage? For example 10% above write as 110%; 20% below write as 80%”. Subjective performance was measured by a self-assessed general performance measure developed by Farh et al. [1991]. Four items were included, such as “I make sales with the highest profit margin”. The reliability of the scale has a coefficient alpha of .91.

## Results

The first step in using SEM to test the model is to build the baseline measurement model. When the measurement model was not appropriately fit, we revised the result by assessing the parameter estimates and the modification indices [M.I] or standard residual. As suggested by Byrne [2013], we then eliminated and/or re-estimated the errors and/or parameters accordingly. The baseline model consists of the following variables: the independent variables [emotional intelligence, self-emotion, others-emotion, use of emotion and regulation of emotion]; the mediating variable [adaptive selling behaviour]; and dependent variables of sales performance.

We first examined the measurement model by conducting CFA on 7 latent variables and 28 indicators [comprised of 16 indicators for emotional intelligence, 7 indicators for ASB, 4 indicators for subjective sales performance, and one for objective sales performance]. The Goodness Fit of Index indicated that the initial model did not fit the data

well. We found the primary reason for the first run not fitting was that the model solution was not admissible. Specifically we spotted a high cross loading of objectives sales performance on composite 2 [M.I. 75.150; Par Change .821], 3 [M.I. 77.459; Par Change .911] and 4 [M.I. 69.972; Par Change .582] of subjective performance, pointing towards a redundancy in the measures. Additionally the bivariate correlation between subjective and objective performance was high [ $r = .713$ ] indicating possibility of multicollinearity. This redundancy however has been noted in previous studies [Viswesvaran et al., 1996]. Following the suggestion of Kline [2010] and Byrne [2013], in dealing with multicollinearity, we combined the two constructs into one; that is we dropped objective sales performance latent from the model but its observed indicator was parcelled into one and loaded onto subjective sales performance.

We then retested the model and repeated the process until we found the model that fitted to the Goodness Fit Index. In the process, we re-estimated the following errors as the modification index for these errors were found high; re-estimated error EI8 (“I have a good understanding of the emotions of people around me”) and error EI6 (“I am a good observer of others emotion”), re-estimated error EI12 (“I would always encourage myself to try my best”) and error E19 (“I always set goals for myself and try my best to achieve them”), and re-estimated error EI16 (“I have a good control of my own emotions”) and error EI14 (“I am quite capable of controlling my own emotions”).

A summary of the baseline measurement model is depicted in Table 4. Figure 2 shows the final Measurement Model.

**TABLE 4. Summary of CFA and Revisions Result for the Baseline Model**

Model	Changes	Goodness of Fit Index
1	Run 7 latent with 28 indicators	$\chi^2 = 3298.45$ ; $df = 1056$ ; $\chi^2/df = 3.124$ ; GFI = .826; CFI = .901; RMSEA = 0.078; $p$ -Value = .000
2	Combined subjective and objective performance, run 6 latent with 28 indicators	$\chi^2 = 2831.45$ ; $df = 942$ ; $\chi^2/df = 3.124$ ; GFI = .855; CFI = .911; RMSEA = 0.071; $p$ -Value = .000
3	Re-estimated error 8*6 and error 12*9, run 6 latent with 26 indicators	$\chi^2 = 2432.46$ ; $df = 816$ ; $\chi^2/df = 2.980$ ; GFI = .869; CFI = .912; RMSEA = 0.068; $p$ -Value = .000
4	Re-estimated error 16*14, run 6 latent with 25 indicators	$\chi^2 = 2057.49$ ; $df = 746$ ; $\chi^2/df = 2.671$ ; GFI = .915; CFI = .935; RMSEA = 0.055; $p$ -Value = .000

Source: own elaboration.

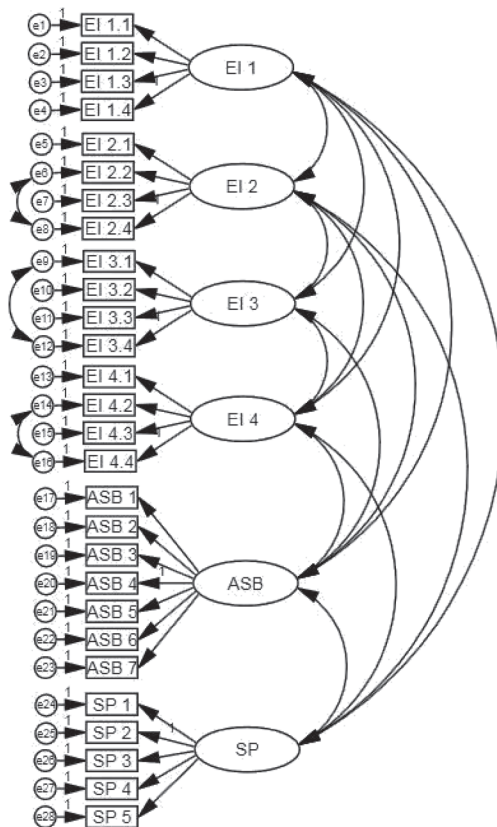
**TABLE 5. Factor Correlation Matrix and Validity Table**

	AVE	MSV	EI 1	EI 2	EI 3	EI 4	ASB	SP
EI 1	0.713	0.453	0.870					
EI 2	0.623	0.397	0.454	0.894				
EI 3	0.724	0.466	0.511	0.498	0.814			
EI 4	0.520	0.211	0.482	0.477	0.521	0.748		
ASB	0.611	0.292	0.314	0.242	0.258	0.277	0.718	
SP	0.694	0.411	0.174	0.324	0.119	0.211	0.435	0.931

AVE – Average Variance Extracted, MSV – Maximum Shared Variance

Source: own elaboration.

**FIGURE 2. Final Baseline Model**



Source: own elaboration.

Following the establishment of our baseline model, we then tested our hypotheses. Table 6 presents the regression results.

**TABLE 6. Regression Weights**

Path	Std [ $\beta$ ]	UnStd [ $\beta$ ]	S.E.	C.R. [t-value]
EI 1: Self-emotion → Sales Performance	.095	.103*	.109	.934
EI 2: Others-emotion → Sales Performance	.133*	.153*	.079	.957
EI 3: Use of emotion → Sales Performance	.088	.083	.109	.934
EI 4: Regulation of emotion → Sales Performance	.093	.091	.088	1.117
EI 1: Self-emotion → ASB	.222**	.321**	.109	.934
EI 2: Others-emotion → ASB	.298**	.283**	.079	1.251
EI 3: Use of emotion → ASB	.233**	.262**	.109	1.134
EI 4: Regulation of emotion → ASB	.219**	.206*	.068	1.117
Adaptive Selling Behaviour → Performance	.283**	.229**	.059	1.978

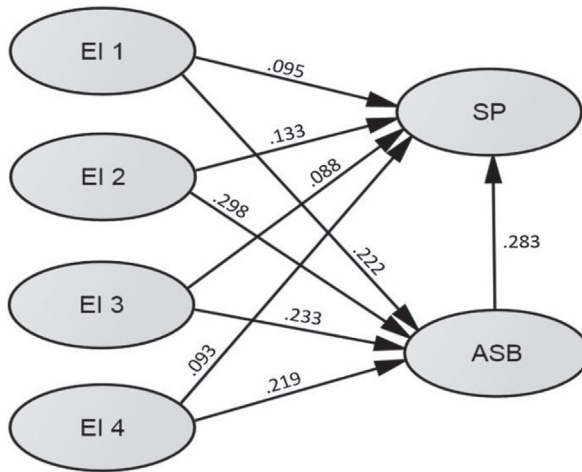
\* $p \leq .05$ , \*\* $p \leq .01$  Std – Standardized coefficient;  
S.E. – Standard Error; C.R. – Critical Ratio

UnStd – Unstandardized coefficient

Source: own elaboration.



FIGURE 3. Regression Result



Source: own elaboration.

## Discussion

The emotional intelligence–sales performance relationship is relatively easy to interpret. Consistent with Hypothesis  $H_{1b}$ , the second domain of EI [i.e., others-emotions] has a positive impact on sales performance. This finding aligns with several meta-analyses such as O’Boyle et al. [2011], Joseph and Newman [2010] and Van Rooy and Viswesran [2004]. Emotionally intelligent individuals who are able to recognize others’ emotions are adaptable and flexible in handling change [Chrusciel, 2006; Goleman, 1998; Wang, Law, 2002]. They have the ability to monitor others’ feelings and emotions, discriminate among them, and use this evaluation to guide their thinking and actions [Salovey, Mayer, 1997]. The ability to recognize these emotions contributes to effective social interaction, an aptitude that a successful salesperson arguably needs [Churchill et al., 1985]. Given the concept of EI 2, in the case of emotionally intelligent salespeople, they have the ability to monitor others’ feelings and needs and act accordingly to meet those needs. Arguably, these are also some of the skills required to practise ASB [Borg, Johnston, 2013; Spiro, Weitz, 1990]. This phenomenon clarifies the rationale behind the current study’s findings.

Our hypotheses concerning other domains of EI [i.e.,  $H_{1a}$ ,  $H_{1c}$  and  $H_{1d}$ ] were not supported. One possible explanation concerns how EI may predict job performance differently [Hough, 2003] and not always be in a linear relationship of cause and effect [Cote, Miners, 2006]. Although when considered directly, three domains of EI are not related

to sales performance, the results of the current study show that these three domains link to sales performance through ASB, demonstrating partial mediation in the absence of direct effect. This indicates the importance of a synergistic combination of emotional intelligence and adaptive skills, which in turn links emotional intelligence to sales performance indirectly. The findings of our study add value to the emotional intelligence–sales performance literature by providing insights on how the relationship actually occurs. Our findings concur with Cote and Miners [2006], who implied that the impact of EI on job performance is not always a linear effect.

Three interesting implications were made by the study in relation to ASB. First, the findings of the current study support the contingency theory of ASB proposed by Weitz et al. [1986], which claimed that ASB is an important determinant of a sales performance among salespeople. The results of the current study have shown that ASB explains about 3% of the variations in sales performance. This is conspicuous compared to the meta analysis conducted by Churchill et al. [1985] which found that the average of variation in sales performance associated with ASB is less than 4%. These results serve not only to add clarity to a number of previously unclear and contentious relationships but also to extend the understanding of the overall ASB process.

Second, the findings have also shown that ASB serves as a mediator between EI and sales performance. These findings are noteworthy and support the notion of few scholars who argued that a salesperson's traits such as empathy, self-motivation and locus of control are related to the practice of adaptive selling [Borg, Johnston, 2013; Spiro, Weitz, 1990]. This study employs the WLEIS scale to measure EI. Among other things, the scale assesses the level of self-motivation, understanding of the emotion of others, and the ability to control one's temper and emotions, indicating that if a person scores high in EI, s/he will tend to be self-motivated, have a good understanding of the emotions of others, including customers, and be able to control his/her own emotions.

Third, it is also worth noting that the results of the current study support the claim that adaptation during the sales presentation is an activity engaged in by most salespeople in a context where the buying units and offerings are complex and each customer affords a significant medium- to long-term profit potential [Giacobbe et al., 2006; Kidwell et al., 2007]. The mean rating for ASB in the present study is relatively high (3.53), indicating that the respondents are highly adaptive with regard to the sales presentation. The industry studied here is comprised of financial firms that deal with complex investment products such as shares, debentures, unit trusts and bonds that arguably provide significant medium- to long-term profit potential.

On the methodological front, although it is not central to the research questions addressed in this study, it is worth noting that we found the correlation between objective and subjective performance was relatively high ( $r=.713$ ) indicating possible multicollinearity [Byrne, 2013]. Indeed this was the case when we ran the Confirmatory Factor Analyses (CFA). The comparison of our results with those of Pransky et al. [2006] is interesting

and important. Pransky et al. [2006] suggest the objective and subjective performance are distinct from one another; and that both tend to emphasise different aspect of performance. However the findings of our current study lean toward the argument that objective performance and subjective performance measure similar criteria, indicating they appear to be one dimension [Viswesvaran et al., 1996].

## Managerial Implications

In today's highly competitive marketplace, personal selling plays a critical role in ensuring the firm's ability to understand customers' needs, which in turn increases the volume of profitable sales [Giacobe et al., 2006]. Several studies have found that salespeople play a key role in customer relationship management in terms of understanding, communicating, and delivering value to customers; thus, today's relationship marketing focuses on interpersonal communication building and maintenance of relationships with the customers as opposed to short-term sales [Gummerson, 2008; Paparoidamis, Guenzi, 2009; Weitz, Bradford, 1999]. In today's complex market, salespeople not only need to have good interpersonal communication skills to communicate with both internal and external customers, but also must be able to adapt, empathize and recognize others' emotions. This study's findings show that emotionally intelligent individuals are adaptable and flexible in handling change and have the ability to monitor others' feelings and emotions, discriminate among them, and use this evaluation to guide their thinking and behaviour. Arguably, these are some of the elements needed to effectively develop good interpersonal communication skills with both internal and external customers. When salespeople and customers are mutually committed to the relationship, they are motivated to maintain the relationship's existence in the long run and strive for mutual benefit [Paparoidamis, Guenzi, 2009; Weitz, Bradford, 1999].

Additionally, we found a positive relationship between emotional intelligence and adaptive selling behaviour; this has several managerial implications. First, when recruiting account managers, firms need to focus on potential candidates who (a) can facilitate social interactions with target customers, (b) have a high level of emotional intelligence, and (c) have the ability and skills to practise adaptive selling. Firms should also provide training and motivation in order to impose and instill this aptitude in salespeople. This has become especially important as traditional communication activities, such as TV and radio advertising, have become very costly and competitive.

Several studies have established that the relational behaviour of salespeople, such as adaptive selling, are the antecedents of relationship marketing, which in turn affects the effectiveness of sales performance [Jones et al., 2003; Paparoidamis, Guenzi, 2009]. In this study, we found that the aptitude of sales people, such as their ability to adapt their selling

technique, influences their sales performance. Consequently, firms need to recruit potential salespeople who have the ability to recognize others' emotion and to adapt when meeting the needs of relationship marketing. Nonetheless, this is an area that future study could develop further. It is hoped that this study will act as a catalyst to help further research address this gap.

## Limitation and Future Research

It is acknowledged that this study used only self-reports for both EI and ASB. Self-reports can be subjected to various distortions, including elements of bias and/or the faking of answers; however, previous studies have found that, when both peer and supervisor ratings were gathered, results between the self and peer/supervisor ratings were similar [Law et al., 2004; Goldenberg et al., 2006]. Moreover, supervisor ratings pose a validity risk as indicators of true emotional intelligence. For example, some supervisors are indiscriminately hard or easy across all participants or allow their personal opinions or grievances to enter into their ratings [Strauss et al., 2001].

This research also provides opportunity for possible future studies. Further replication is needed to determine how the findings reported herein align with the results of studies conducted in other work environments. In particular, the impact of EI on sales performance requires further study to understand the effect of EI constructs separately on sales performance. Further research may also explore the potential of moderators (if any) on the relationship between EI and sales performance.

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