Discussion on Influencing Factors of Front-line Salespeople’s Empowerment Readiness in Small and Medium-sized Enterprises

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Abstract

As a new means of management, empowerment has received the attention of small and medium-sized enterprises. Managers in small and medium-sized enterprises empower front-line salespeople, which will make front-line salespeople grasp the moment of truth, improve the on-site contact quality between salespeople and customers, increase customer satisfaction, bring the improvement of sales performance of front-line salespeople and small and medium-sized enterprises. More and more small and medium-sized enterprises have empowered their own front-line salespeople. And managers in small and medium-sized enterprises are more concerned with the issues which employees in small and medium-sized enterprises suit to be empowered and which factors will influence employee empowerment readiness. This paper proposes the definition of front-line salespeople’s empowerment readiness, analyzes influencing factors of front-line salespeople’s empowerment readiness, discusses the effect mechanism of influencing factors of front-line salespeople’s empowerment readiness, finally, and puts forward some suggestions to enhance front-line salespeople’s empowerment readiness from the perspective of human resource management practice.

Keywords: Front-Line Salespeople, Empowerment Readiness, Influencing Factors, Effect Mechanism

1. Introduction

With the advent of the knowledge-based economy, the enterprise’s management philosophy advances with the times as the environment constantly changes. As market competition continues to intensify, marketing activities are enlarging and customer demand is increasingly growing and diversifying. Salespeople in small and medium-sized enterprises should response to customer demand rapidly, and provide service for customers timely, in the process of interaction with customers. Therefore, more and more small and medium-sized enterprises have empowered their own front-line salespeople. Empowered employees have greater authority and responsibility for their work than they would in more traditionally designed organizations [1].

Nowhere is this truer than in sales environments, where salespeople work at the outer boundary of the organization—at the interface with customers. Empowerment is thought to unleash employees’ potential, enhance their motivation, allow them to be more adaptive and receptive to their environment, and minimize bureaucratic hurdles that slow responsiveness [2]. Unfortunately, the benefits of empowerment are not always realized, and the inhibiting factors appear to be more attributable to failures of implementation than to design [3]. Perhaps the biggest challenges to successfully empowering employees lie in which employees in small and medium-sized enterprises suit to be empowered and which factors will influence employee empowerment readiness.

This paper proposes the definition of front-line salespeople’s empowerment readiness, analyzes influencing factors of front-line salespeople’s empowerment readiness, discusses the effect mechanism of influencing factors of front-line salespeople’s empowerment readiness, finally, and puts forward some suggestions to enhance front-line salespeople’s empowerment readiness from the perspective of human resource management practice.
2. Literature Review

2.1. Front-line salespeople in small and medium-sized enterprises

According to different forms of contact, there are three dimensions that salesperson in enterprises contact customers, long-range contact, telephone contact and face-to-face contact. Front-line service workers refer to workers that have front-line contact with customers and provide customers with the services they need. There are many similarities between the definition of front-line service workers and the boundary spanning role of organizations. The boundary spanning role refers to employees that have front-line contact with customers on behalf of the company. They must play the role that they show the organization to the groups outside, emphasize that they have contact with customers in public, and have high interaction relationship with customers [4]. According to definitions above, we define front-line salespeople in small and medium-sized enterprises as salespeople that interact directly with customers on behalf of the enterprise in public, whose marketing behaviors have a direct impact on customer demand and are composed of customers’ perception of service quality and enterprise image.

2.2. Employee empowerment readiness

Edwards proposes the concept of employee readiness. It is an aggregate multidimensional construct emerging from the confluence of salespeople’s product knowledge, their tenure in the field, and their tenure with the current employer [5]. The logic is that to the extent employees possess an array of attributes that enable them to be successful in an empowered environment they will respond more positively to leadership empowerment behavior. Therefore, Ahearne, Mathieu and Rapp define employee empowerment readiness as the extent to which employees possess an array of task-relevant knowledge and experience that will enable them to benefit from, and to be successful in, an empowered environment [6]. This paper also proposes the definition of front-line salespeople’s empowerment readiness. Front-line salespeople’s empowerment readiness refers to the extent to which salespeople who have direct interaction with customers on behalf of the enterprise in public possess an array of task-relevant knowledge, ability and experience that will enable them to benefit from, and to be successful in, an empowered environment.

3. The Influencing Factors of Front-line Salespeople’s Empowerment Readiness

According to the definition of front-line salespeople’s empowerment readiness, we believe that the factors influencing front-line salespeople’s empowerment readiness are salespeople’s characteristics, superior behaviors and organizational internal environment.

3.1. Salespeople’s characteristics

Guan Guohong defines salespeople’s characteristics as consumers’ cognition of salespeople’s traits in the process of relation marketing; these traits will contribute to the achievement of sales performance [7]. Walker, Churchill and Ford build a conceptual framework that influence sales performance and salespeople’s motivation through individual, organization and environment variables, and measure personal traits through role cognition, motivation and aptitude [8]. Weitz proposes the contingency model of salespeople’s efficiency; salespeople’s characteristics include product and customer knowledge and selling smart [9]. Anderson and Oliver conduct the research on salespeople control systems, characteristics and organizational sales effectiveness, salespeople’s characteristics include cognition, capacity, emotions and attitudes, motivation, and so on [10]. Xiong Dan puts forward salespeople’s competency is mainly composed of personal traits, capabilities and driving force, in which personal traits include confidence and integrity, capabilities include sales general ability and sales professional ability, drive force includes job goals and self-motivation [11].

This paper believes that salespeople’s characteristics include professional knowledge capability, role cognition and motivation, communication, attitude and selling smart, and these characteristics will influence first-line salespeople’s empowerment readiness.
3.2. Superior behaviors

3.2.1. Superior trust: McKnight, Cummings and Chervany define trust as that a person believes and is willing to rely on another person. And the concept of the high degree of trust has two constructs: One is trust intention which refers to being willing to depend on others in specific situations. The other one is trust belief which refers to believing that others are well-intentioned, capable, honest or predictable in specific situations [12]. Mayer points out that trust characteristics include capability, kindness and integrity in the integrated model [13]. Likert’s participation system and Argyris’s view on the organization show that the development of mutual trust is important to the employment relationship [14] [15]. Hackman and Oldham find that employees who engage in the work with higher autonomy, integrity, change, importance and feedback are likely to have the high degree of satisfaction [16]. The premise of the work is trust, and the work with higher autonomy, integrity, change, importance and feedback is the meaning of employee empowerment. Therefore, superior trust will influence first-line salespeople’s empowerment readiness.

3.2.2. Superior leadership behaviors: Hersey and Blanchard define leadership behaviors as task behaviors and relationship behaviors two dimensions, combine them and fall into four leadership styles: Telling leadership style suits employees with low maturity. Leaders define the role responsibilities, instruct employees what to do, how to do it, when to do it, emphasize instruction behaviors, and give definite guidance. Selling leadership style suits employees with medium maturity. Leaders give proper guidance and support which can make up for the lack of capacity. Participating leadership style suits employees with medium maturity. Leaders and employees make decisions together and leaders play the role of communication and coordination. Delegating leadership style suits employees with high maturity who have capabilities and willingness to take responsibilities [17]. Blank, Weitzel and Green find that leadership style has a positive impact on job maturity and psychological maturity of employees [18]. Li Fang Lin’s study shows that there is the interaction between leadership style and subordinate maturity which exhibits significant level [19]. Adam Rapp and Michael Ahearne indicate that empowering leadership behaviors have a significantly positive relationship with working smart of salespeople [20]. Bass & Avolio points out that transformational leadership behavior can improve employees’ abilities of self-reflection, putting forward new viewpoints and innovative operating rules [21]. Shi Qing proves that transformational leadership has positive effect on employees’ perception of psychological empowerment through empirical study [22]. Therefore, superior leadership behaviors will influence first-line salespeople’s empowerment readiness.

3.3. Organizational internal environment

Much of the past literature in the area of employee empowerment suggests that an environment should be evaluated in terms of the opportunities it presents for employees [23]. Furthermore, it has been suggested that an empowering environment is one that provides opportunities, as opposed to constraints, on employee behavior [24].

3.3.1. Organizational support: Organizational support is defined as an employee’s perception of the concern an organization shows for his or her well-being [25]. Perceived organizational support has been found to be associated with HR outcomes such as performance rating and organizational citizenship behavior [26]. Wayne et al. find that a high level of perceived organizational support creates a feeling of obligation, whereby employees not only feel that they ought to be committed to their employers, but also feel an obligation to return the favor by putting in more effort into their job [27]. Bell’s research of salespeople shows that salespeople who have good organizational support whose customer evaluations of service quality are relatively high. Hou liying also finds that perceived organizational support has significant correlation with job performance through empirical research, and the effect of perceived organizational support on job performance is mainly achieved by the effect of value identity on surrounding performance [28]. Meyer & Smith think perceived procedural justice and organizational support play the mediating role in organizational human resource practices and employees' organizational commitment, and employees with higher perceived organizational support tend to have higher organizational commitment. Scholars have found that perceived organizational support has significant positive correlation with employees’ affective commitment. Employees seek a
balance in their exchange relationships with organizations, tending to have attitudes and behaviors commensurate with the degree of support the employer gives them as individuals. Research has shown that perceived organizational support is positively related to conscientiousness in carrying out job responsibilities and to commitment and innovation.

3.3.2. Organizational learning: Scholars have proposed the meaning of organizational learning. Marlene and Marjorie point out that organizational learning is the process of improving activities through better knowledge and theories [29]. Stata defines organizational learning as the model of organization sharing insights, knowledge and mentality, based on the past knowledge and experience (namely, organizational memory) [30]. Calhoun and Stanton believe that learning organization can make organizational members obtain the capability required for future success and achieve continuous improvement of organizational performance through the rapid creation and refinement [31]. Li Jun et al. propose that organizational learning has positive influence on dynamic capabilities; organizational learning is composed of commitment to learning, shared vision, open mind three dimensions; dynamic capability has perceptual abilities, response ability, and restructuring ability three dimensions. In which, perceptual ability helps enterprises perceive environmental changes and identify opportunities and threats; response ability makes all processes flexible which is the support power that enterprises correctly and rapidly identify environmental change and implement resources integration and the reform. The efficiency and speediness of restructuring ability has important significance for enterprises that implement integration of resources and ability in the changing environment, meet needs of environmental change and maintain competitive advantage [32]. The key of organizational learning is that organizational members have the effectiveness of knowledge innovation and information sharing through the function of organizational memory [33]. Therefore, organizational learning will make employees increase knowledge, enhance their capacity and gather experience.

Based on the literature review, we can propose the conceptual model of the relationships among influencing factors of front-line salespeople’s empowerment readiness. As shown in Figure 1.

4. The Effect Mechanism of Influencing Factors of Front-line Salespeople’s Empowerment Readiness

4.1. The effect direction of influencing factors of front-line salespeople’s empowerment readiness

From the conceptual model of the relationships among influencing factors of front-line salespeople’s empowerment readiness, we can see that: front-line salespeople’s characteristics have a direct impact on front-line salespeople’s empowerment readiness. Superior behaviors not only have a direct impact on front-line salespeople’s empowerment readiness, but also have an indirect impact on front-line salespeople’s empowerment readiness through front-line salespeople’s characteristics.
Organizational internal environment not only has a direct impact on front-line salespeople’s empowerment readiness, but also has an indirect impact on front-line salespeople’s empowerment readiness through front-line salespeople’s characteristics.

4.2. The effect mode of influencing factors of front-line salespeople’s empowerment readiness

Based on the model of the relationships among influencing factors of front-line salespeople’s empowerment readiness, we can see that: front-line salespeople’s characteristics are subjective factors influencing front-line salespeople’s empowerment readiness, superior behaviors are objective factors influencing front-line salespeople’s empowerment readiness, and organizational internal environment is environmental factors influencing front-line salespeople’s empowerment readiness. The whole effect of these three factors determines front-line salespeople’s empowerment readiness together. Superior behaviors as objective factors have a direct impact on subjective factors, namely front-line salespeople’s characteristics. Meanwhile, organizational internal environment as environmental factors also has a direct impact on subjective factors-front-line salespeople’s characteristics. As shown in Figure 2.

Figure 2. The figure of effect mechanism of influencing factors of front-line salespeople’s empowerment readiness

5. Conclusions and Management Implications

The study results show front-line salespeople’s characteristics as subjective factors, superior trust and leadership behaviors as objective factors, organization support and organization learning as environmental factors all influence front-line salespeople’s empowerment readiness. Therefore, managers in small and medium-sized enterprises should improve the knowledge, ability and selling technique of first-line salespeople through training practice, adopt delegating leadership, and create organizational learning climate to enhance first-line salespeople’s empowerment readiness.

5.1. Managers should attach importance to training practice

Enterprises should train first-line salespeople’s technical knowledge and interactive ability, in order to enhance empowerment readiness of frontline salespeople and improve customers’ perception of service quality.

Front-line salespeople not only can obtain technical skills through formal education, but also can obtain them through in-service training. Enterprises can also continue to increase the use of information technology to train employees’ technical skills and knowledge they need. In addition, first-line salespeople also need interactive ability training so that they can provide courteous, caring, responsible and enthusiastic service.

Managers should do various training and guidance for front-line salespeople, and then frontline salespeople can increase knowledge and technical skills and enhance their self-confidence.
and reduce error probability at work, so that they can exercise autonomy more freely and exert impact at work.

5.2. Managers should adopt empowering leadership

In a sales context, where salespeople primarily work as individual contributors, these empowering behaviors should prove to be extremely powerful. Empowering leadership should yield benefits in terms of not only motivating salespeople, but also unencumbering them so that they can employ adaptive selling techniques. Empowering leadership makes front-line salespeople gather experience and promote them mature continually.

5.3. Managers should attach importance to organizational learning

Managers should create effective organizational learning climate to make organizational members learn by themselves, cultivate organizational members’ abilities to adapt and change in order to make organizational members innovate continually with organizational goals. Organizational members share learning outcome each other, spread knowledge among organizations and apply knowledge to the job. Managers should construct organizational culture of reciprocity in small and medium-sized enterprises, encourage cooperative and sharing behaviors among employees, inspire individual learning desires through the communication and discussion of information, make individual learning goals consistent with organizational learning goals and finally make employees form organizational goals. Managers also should store all the resources and technology in the enterprises as organizational database and share the knowledge resources with all the organizational members.

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7. References

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