

**CROSS-CULTURAL PERCEPTIONS OF AGE DISCRIMINATION AMONG  
SALESPEOPLE**

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Studies from the Sociology literature suggest that intergeneration inequity is the basis for perceived age discrimination (see Garstka, Hummert, and Branscombe 2005 for a review) and such negative perceptions are contributors to overall lower psychological well-being (Jetten, Branscombe, and Spears 2002) which includes low self-esteem, negative feelings, and high stress/anxiety. In the sales domain, such effects are relevant to study because Churchill, Ford, and Walker (2000) suggest that they are among the variables that impact salesperson performance. Thus, the impact of seller perceptions of age discrimination is an important area of study to both sales researchers and sales management.

Based on Hofstede's (1983) research of cross-culture differences, individuals from different countries and global regions are likely to react differently to feelings of discrimination. Such differences may also alter the affects of discrimination on psychological well-being and performance in the sales domain. Based on the notion that there is an inherent unequal distribution of power between a buyer and a seller (e.g., the buyer has all the control to say "yes" or "no" while the seller has limited options for recourse) an advantaged buyer "in-group" and disadvantaged seller "out-group" relationship is created. Such perceptions of this relationship will tend to vary based on whether the seller is more likely to accept or reject this notion. One factor in particular that tends to influence such perceptions includes age (Garstka, Hummert, and Branscombe 2005). Thus, the objective of this research is to integrate social identity theory cross-culturally to provide a conceptual argument that cultural dimensions moderate the relationship between perceptions of age discrimination between a seller and buyer and consequences relative to psychological well-being and performance.

This research objective will be addressed by first presenting the literature on social identity theory, a paradigm suggesting perceived inequities among group members. Next, we suggest that such perceptions among sellers from a particular age group will feel discriminated against relative to buyers who are from an older age group. Finally, based on Hofstede's culture dimensions of power distance and individualism, we present propositions suggesting that these cultural attributes will moderate the relationship between salesperson perceived age discrimination and consequences such as salesperson psychological well-being variables and selling performance. With the increasing globalization of business in most industries, the importance of understanding the cultural implications to professional sales is of vital interest to practicing sales managers (Kale and Barnes 1992). Such implications are further explored in the discussion section of this paper.

### **Social Identity Theory**

Social Identity Theory (*SIT*) posits that belonging to a group creates a psychological state that confers social identity and its main assumption are that the status relations between social groups are often unequal and that social groups are in competition with each other for status and power (Tajfel and Turner 1986). By nature of such perceived relative status, individuals may consider themselves part of an advantaged "in-group" or disadvantaged "out-group". One group-defining factor is age as the sociology literature points out that people define themselves in terms of age categories and on dimensions of power and wealth. This process of self-

categorizing causes members of a category to form stereotypes and such stereotypical behavior results in in-group favoritism, inter-group discrimination, and conflict (Branscombe, Schmitt, and Schiffhauer 2007).

For example, in the professional sales domain, a buyer may view a middle-aged seller as more persuasive and worthy of respect as compared to a younger seller who is viewed as lacking in experience and expertise. However, this view is relative to how a particular society or culture is accepting of or tending to reject the “in-group” – “out-group” paradigm. From the economics point of view, young adults in the U.S. are perceived as having lower status (an out-group) than middle-aged adults - an in-group (Luszcs 1985). This is based on the belief that middle-aged adults may claim that their relatively greater wealth is a privilege of their group and is legitimized due their hard work and expertise (Garstka, Hummert, and Branscombe 2005). Such a comparison would not apply to a culture from an undeveloped economy where such inequalities are de-emphasized or relative equity in the distribution of power, status, and wealth is the goal (Kale and Barnes 1992). In the sales domain, Youmans (1971) observed such perceived status differences on dimensions of respect and influence, two factors relative to successful selling performance (Weitz, Castleberry, and Tanner 2004). From the perspective of the buyer, a middle-aged seller might be considered more persuasive and worthy of respect due to the experience level that a younger seller lacks. Thus, *SIT* provides a useful conceptual foundation for explaining why salespeople may feel disadvantaged. Such feelings are suggested to be a factor leading to perceptions of age-based discrimination (Branscombe, Schmitt, and Schiffhauer 2007).

### **Perceived Discrimination**

From the sociology literature, researchers define discrimination as “... the actions arising from institutions and individuals that disproportionately and systematically harm members of socially marginalized groups ...” (Gee, Pavalko, and Long 2007, p. 266). For members of groups who feel inferior, their individual perceptions represent the degree to which they are affected by discrimination. Unfair treatment of an individual or group based on such factors of gender, race and age have been studied extensively (e.g., Forman, Williams, and Jackson 1997; to mention a few). Among these, age represents a factor “... to which *all* individuals have some risk of exposure ... and this risk varies across their life course” (Gee, Pavalko, Long 2007, p. 268). There is evidence of age discrimination in the professional work environment. For example, studies have revealed U.S. employer preferences for workers in their 30’s and that 22 percent of U.S. job advertisements noted a mean upper age limit of 37 (McGoldrick and Arrowsmith 1993). This poses challenges to salespeople who belong to a disadvantaged age group (e.g., that which is younger than the buyer) due to differences in workplace beliefs, values, and attitudes. Such feelings can have detrimental effects on individual psychological health as well as organizational performance.

### **Cross-Cultural Dimensions**

Hofstede’s (1993) seminal study of cultural differences across nations provides a framework for exploring this phenomenon of salesperson feelings of age discrimination and its consequences relative to two key dimensions. The first, power distance, is “the extent to which a society accepts that power in institutions and organizations is distributed unequally” (Hofstede

1983). In the buyer-seller domain, the less powerful member (e.g., the seller) as well as the more powerful (e.g., the buyer) member shares this view. Such power perceptions may be magnified where age-group differences exist between seller and buyer. In cultures where the degree of power distance is high (e.g., S.E. Asia, Greece, India) this notion of power inequity is accepted and recognized. This may serve to intensify any negative effects from feelings of discrimination. In cultures where power distance is low (e.g., U.S. Finland, Great Britain), such unequal distribution of power is rejected or ignored thus reducing the negative impact from perceived discrimination.

A second cultural difference of interest to this research is individualism which, according to Hofstede (1983), implies a loosely knit social framework in which people are primarily concerned with taking care of themselves and less recognition is given to differences between the in-group and out-group members. In cultures high in individualism, negative effects from perceptions of discrimination should be less than cultures that are less individualistic. The frameworks of social identity theory and Hofstede's work on cultural differences across nations may be integrated to conceptualize research propositions of the relative impact of a salesperson's perceptions of age discrimination on psychological well-being factors and selling performance.

## **Research Propositions**

*SIT* posits that in-group membership is determined by one's degree of felt in-group identification and membership in the out-group creates a psychological state that results in an unsatisfactory or negative social identity (Tajfel and Turner 1986). This notion has been demonstrated in studies involving worker age, race, and gender (see Garstka, Hummert, and Branscombe 2005; Mummendey et al. 1999). Based on these studies, it is understandable that individuals who feel disadvantaged or underprivileged may also perceive discrimination due to their relative age.

In the seller-buyer domain, a salesperson from a younger age group (relative to the age group of the buyer) may feel disadvantaged (i.e., members of the out-group). Consistent with other *SIT* studies using age group as the basis for group membership, a buyer may tend to view "older" age group sellers as more experienced, credible, and dependable. The concern with "younger" age group sellers may be that they lack experience, knowledge, and may not be in the job over time. Such unfavorable comparison of this out-group is likely to result in these salespeople experiencing higher perceived levels of disadvantaged-ness and subsequently discrimination (Schmitt, Branscombe, and Kappen 2003; Schmitt et al. 2006).

Cultural value differences are expected to magnify or reduce these feeling. For example, in the U.S., Finland, and Great Britain - nations ranked low in power distance and high in individualism, salespeople would be expected to reject the notion that the power distribution between the seller and buyer is unequal. Likewise, the highly individualistic nature of these salespeople would be expected to lead to rejection of the in-group / out-group social framework. Relative to both of these views, a negative reaction of a buyer toward a seller may spark feelings that are unexpected to the seller. The mechanism to compensate for these unexpected feelings may be to rationalize the situation through magnified levels of perceived age group discrimination.

For nations that rank higher in power distance and lower in individualism, the degree of such perceptions of discrimination would be expected to be lower. This is because a higher tolerance or acceptance of the unequal distribution of power between buyer and seller exists

among members of these nations (e.g., S.E. Asia, Greece, India) – in essence, the likelihood of being rejected by the buyer may come as no surprise to the seller. Based on this discussion, our first proposition suggests that:

P<sub>1</sub>: Salespeople from nations ranked lower in power distance will perceive higher levels of age group discrimination (i.e., a negative relationship) than salespeople from nations ranked higher in power distance.

P<sub>2</sub>: Salespeople from nations ranked higher in individualism will perceive higher levels of age group discrimination (i.e., a positive relationship) than salespeople from nations ranked lower in individualism.

### ***Job Specific Self-Esteem***

Feelings of discrimination have been shown to have consequences that include detrimental psychological effects, some of which impact job performance. For example, Schmitt, Branscombe, and Postmes (2003), found that women who were exposed to an essay describing the pervasiveness of gender discrimination described feelings of low generalized self-esteem than women who read essays suggesting that sexism was rare. In a related study, Schmitt, Spears, and Branscombe (2003) concluded that international students' perceptions of being excluded from the host community resulted in a negative sense of social identity resulting in lower self-esteem. In the sales literature, Bagozzi (1978) studied salesperson job self-esteem as one dimension of psychological well-being relative to a salesperson's feelings as to how he/she performs on the job, achieves potential, and relates to customers relative to other salespeople in the company. Job specific self-esteem here was found to impact selling performance. From this discussion, our third proposition suggests:

P<sub>3</sub>: Perceived *age discrimination* among salespeople will be negatively related to job specific *self-esteem*.

### ***Job Stress/Anxiety***

Another dimension of psychological well-being as proposed by Rosenberg (1979) is felt stress and anxiety. For a salesperson, a common source of stress and anxiety stems from their job, that is conflicting roles - demands of supervisors and customers as well as aspects of the job that are not clear or are ambiguous (Churchill, Ford, and Walker 2000). Typically, in the seller-buyer domain, the buyer has the upper hand in that they are in the advantageous position of either accepting or rejecting the sale/seller (Weitz, Castleberry, and Tanner 2004). Feelings of disadvantaged-ness and being unfairly judged by buyers (discrimination) may serve to increase role/job stress levels and become a major source of job anxiety among workers (Mays, Coleman, and Jackson 1996), particularly salespeople.

There is a body of literature to support this negative relationship between disadvantaged groups' feelings of discrimination and the psychological well-being effects of high anxiety. This relationship has been studied and tested among women (Klonoff, Landrine, and Campbell 2000; Kobryniewicz and Branscombe 1997), African Americans (Branscombe, Schmitt, and Harvey

1999; Cross and Strauss 1998), and gay men and women (Herek, Gillis and Cogan 1999). Based on this evidence, proposition four suggests:

P<sub>4</sub>: Perceived *age discrimination* among salespeople will be positively related to higher levels of job felt *stress/anxiety*.

### ***Moderating Effects of Culture***

We would expect that the relationships proposed to this point to be impacted by the salesperson's cultural setting. For example, salespeople from cultures ranked lower in power distance and higher in individualism (e.g., U.S., Finland, Great Britain) are more likely to reject the social in-group / out-group (unequal distribution of power) framework. For instance, these salespeople are less likely to let a negative emotion such as feelings of discrimination deter their psychological well-being. In these cases when it occurs, we would expect that any effect of age discrimination on job specific self-esteem and job stress/anxiety would be cushioned, resulting in less of an impact. Thus, the moderating effects of culture here would be negative.

Likewise, perceived discrimination among individuals from cultures ranked higher in power distance and low in individualism (i.e., S.E. Asia, Greece, India) would be expected to be more severely affected by perceptions of age discrimination. This is because these salespeople would be more accepting of the social inequities between the favored in-group and the disadvantaged out-group. Such views are likely to take its toll in the form of more severe psychological well-being effects when age discrimination is perceived. The moderating effect here would be positive. Both of these moderating cultural effects are summarized in the next set of propositions.

P<sub>5a</sub>: The cultural dimension of power distance will negatively moderate the relationship between perceived age discrimination and job specific self-esteem.

P<sub>5b</sub>: The cultural dimension of power distance will negatively moderate the relationship between perceived age discrimination and job stress/anxiety.

P<sub>6a</sub>: The cultural dimension of individualism will positively moderate the relationship between perceived age discrimination and job specific self-esteem.

P<sub>6b</sub>: The cultural dimension of individualism will positively moderate the relationship between perceived age discrimination and job stress/anxiety.

### ***Job Performance***

Feelings of discrimination have been shown to directly impact job performance. Dwyer, Richard and Shepherd (1998) drew upon SIT to posit that similarity matching between seller and buyer had an impact on selling performance. Based on the notion that the tenants for relationship selling are identification between individuals who share common attributes (Stephenson and Lewin 1996), it can be reasoned that a seller and buyer who differ in key demographic characteristics (e.g., age group) may experience less effective marketing relationships. Several studies have confirmed this (Bhattacharya, Rao, and Glynn 1995; Crosby,

Evans, and Cowles 1990; Fisher and Wakefield 1998). Regardless of culture, we would expect that selling performance would be negatively impacted from salesperson perceived discrimination.

P<sub>7</sub>: The degree to which a salesperson perceives *age discrimination* will negatively impact his/her overall selling *performance*.

The sales literature has also provided multiple studies confirming a positive relationship between salesperson job specific self esteem and selling performance (Bagozzi 1978) as well as a negative relationship between job/role stress and selling performance (Churchill, Ford, and Walker 2000; Mays, Coleman, and Jackson 1996 to mention a few). Using the evidence from this body of literature, we also propose that the psychological well-being variables from our study will play a mediating role in the relationship between seller perceived age discrimination and selling performance. From this we set forth the following propositions:

P<sub>8a</sub>: The relationship between perceived *age discrimination* and selling *performance* will be positively mediated by *job specific self esteem*.

P<sub>8b</sub>: The relationship between perceived *age discrimination* and selling *performance* will be negatively mediated by *job stress/anxiety*.

Figure 1 illustrates a complete model summarizing the proposed relationships between a salesperson's perceived feelings of age discrimination, psychological well-being variables, selling performance, and dimensions of culture.

## **Research Implications**

The proposed conceptual model and research propositions provide us with a good starting point to understand how we might compare salespeople in other cultures relative to how perceived age discrimination impacts psychological well-being and selling performance. To test this model and propositions, data would need to be collected from salespeople in cultures (according to Hofstede's 1983 list) characterized at the polar extremes of power distance and individualism. A path analysis using structure equation modeling would indicate the direction and significance of the proposed relationships.

Additional research implications may illuminate the differing views sales managers may or may not have towards the reliability, productivity, and motivation of older salespeople versus younger salespeople. It may also show how the age of the sales manager impacts these same issues. Subsequent research could center on expanding our model to better understand how salespeople from different cultures respond (differently) to perceptions of age discrimination. Relative to the various identity management strategies (e.g., finding commonalities, establishing credibility, etc) that salespeople use to compensate for any negative affects of dealing with older buyers, sales managers could proactively coach and train their salespeople in an attempt to make them more aware of potential buyer bias relative to the seller's age.

## **Managerial Implications**

The findings here have important managerial implications. Managers from a high power distance low individualism country can expect their salespeople to be marginally affected when confronted with feelings of discrimination as they view individuals in society as being more or less powerful. Power for these people is a basic fact of society and higher-ranking members of an organization (e.g., a buyer) will be viewed as deserving more respect and to be approached in a more subservient fashion. Sales managers from these countries might better prepare their salesforce through training strategies that employ self-directed learning. Self-directed learning is a process in which the learner takes the initiative to diagnose their learning needs, formulate learning goals, identify resources for learning, select and implement learning strategies, and evaluate learning outcomes.

Conversely, managers from a low power distance high individualism country can expect their salespeople to generally reject the notion (that buyers are deserved of increased levels of respect, and submissiveness) by sheer nature of their power to grant certain permissions or commit to a sale. These salespeople might blame the system or society in general when confronted with feeling of discrimination. Managers must be sensitive to the possibility that, for these sellers, the negative impact on their psychological well-being and sales performance may have magnified effects.

These results also have important implications for an ex pat salesforce. As executives consider whether to send sales representatives from a native country or whether to outsource the selling effort locally, these findings can help provide insight. They should also be addressed in training ex pat salespeople to relocate internationally.

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Figure 1: Consequences of Salesperson Perceived Age Discrimination

