

# EFFECTIVENESS OF SALES LEADERSHIP: A META-ANALYSIS AND AN ASSESSMENT OF CAUSAL EFFECTS

Felix Weispfenning, University of Applied Sciences Coburg, Germany

## ABSTRACT

As effective sales leadership has a high impact on firms' market and financial performance, extensive research has dealt with leadership outcomes of sales managers (for an overview see Podsakoff et al. 2006). Despite the effort research has produced inconclusive results about sales leadership effects on firm-related outcomes such as salespeople's performance, organizational commitment, and turnover. The inconclusive results may be due to confounding of other variables' effects with those of sales leadership. This is because previous sales leadership research has not fully accounted for the possible relationships between the above-mentioned firm-related outcomes and, though salespeople's role perception, job satisfaction, and customer orientation has been suggested as important mediators of sales leadership effects, for those mediators in its investigating sales leadership's effects on salespeople's performance, organizational commitment, or turnover. As a consequence, there is no research to date which comprehensively and simultaneously analyzes sales leaderships' effects on salespeople's performance, organizational commitment, and turnover and how these effects are mediated by salespeople's role perception, job satisfaction, and customer orientation. Thus, the answer to the question of if and how sales leadership affects organizational effectiveness still remains unclear. Against this background, this study addresses two research questions, the first of which focuses on the effectiveness of sales leadership:

Research Question 1: Does sales leadership has an effect on salespeople's performance, organizational commitment, and turnover?

The second research question addresses the possible mediation of sales leadership's effects on firm-related outcomes. As mentioned before, the literature suggests role perception, job satisfaction, and customer orientation as important salesperson-related mediators of sales leadership effects. The author investigates these constructs' role in mediating firm-related effects of sales leadership in detail:

Research Question 2: To what extent do salespeople's role perception, job satisfaction, and customer orientation mediate sales leadership's effects on salespeople's performance, organizational commitment, and turnover?

This study provides an integrative meta-analysis of research on the mentioned salesperson- and firm-related outcomes of sales leadership. As aggregated study effects obtained from a meta-analysis can be used to estimate simultaneously the relationships between variables previous research may have not considered jointly, the author assesses meta-analytical correlations between constructs and analyze them further by proposing and testing a structural model in which the effects of sales managers' leadership behaviors on salespeople's performance, organizational commitment, and turnover are mediated by salespeople's role perception, job satisfaction, and customer orientation. This study extends previous research by providing an integrative picture of how leadership behaviors of sales managers translate into organizational effectiveness. In so doing, the author addresses Brown and Peterson's (1993) call for integrative research on how sales leadership affects performance and turnover. In the model, this study differentiates between self-rated, manager-rated, and objective measures of performance and, thus, complement extant research on the relationship between these measures and provide evidence to the recently raised question of how the different performance measures relate to organizational commitment and turnover (Franke and Park 2006). Finally, this study investigates long-debated causal directions between key relationships with appropriate model specifications and test possible moderators of model relationships. The results should support sales managers in their efforts to enhance sales force effectiveness and suggest valuable avenues for future research.

As a result, this meta-analysis basically extends prior findings in meta-analysis on sales force research such as the importance of the constructs role perceptions, job satisfaction, and customer orientation for explaining the emergence of organizational outcomes such as organizational commitment, performance, and turnover. However, this meta-analysis also provides empirical evidence for effects that have been contradictory in prior research (e.g., effects of leadership behaviors on performance, organizational commitment, and turnover) or effects that have not been identified so far (e.g., positive effects of person-focused leadership and objective performance on turnover). To summarize the findings, this study shows the importance of task-focused and person-focused leadership behaviors for organizational effectiveness. Moreover, the author identified the mechanisms through which leadership behaviors affect individual and organizational outcomes. Overall, a more comprehensive understanding of the effectiveness of sales leadership is provided.