

Drivers of Adaptive Selling in Knowledge Intensive Firms

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Abstract— The study examines the relationship between adaptive selling and two job design characteristics: world mindedness and team autonomy. It further examines the role of team sensemaking as a facilitating mechanism that mediates the relationship between team autonomy and adaptive selling and world mindedness and adaptive selling. if the relationship between autonomy, reward interdependence and team sensemaking is contingent upon task interdependence. Two hundred and nine teams working in sales of knowledge intensive products took part in the survey. The study finds that team sensemaking is an effective mediator that helps harness the benefits of team autonomy and world mindedness.

Keywords— Team sensemaking, team autonomy, world mindedness, adaptive selling

I. INTRODUCTION

In today's uncertain world, adaptive selling is extremely important, especially in knowledge intensive industries. Previous research shows that a sales force adept at adjusting selling behaviors to match selling situations is key to success (Epler & Leach, 2021). What factors may enable sales team to master adaptive selling is not fully understood. More precisely, how may team autonomy and world mindedness may effect adaptive selling and the role of team sensemaking as a facilitation mechanism remains unexplored. There exists in human beings a powerful motivation to understand our experiences and the world around us (Chater & Loewenstein, 2016; Schindler et al, 2017). It has long been recognized in the field of psychology that human beings have a strong drive to make sense of the world around them. It is through sensemaking that humans arrange the stimuli into meaningful representations (Chater & Loewenstein; 2016). Finding an "elegant" explanation for a hitherto unfathomable phenomenon or refining a previously known explanation in light of new information are sources of pleasure.

The paper is important in these respects: firstly, it examines the impact of team autonomy on adaptive selling. It also examines if world mindedness has an impact on adaptive selling. Lastly, it addresses the concept of sensemaking at team level as a facilitation mechanism.

II. THEORY AND HYPOTHESIS DEVELOPMENT

A. Relationship between team autonomy, team sensemaking and adaptive selling

In the face of complex business environment team autonomy allows teams the authority to make their own decisions regarding how their work is to be done (Hammer & Champy, 1993). A team that is highly autonomous is better able to configure the best response and implement the modified response; hence it is likely that team autonomy has a positive relationship with adaptive selling (Wang & Netemeyer, 2002).

The greater the autonomy granted to a team, the more team members need to communicate and develop a collective understanding of the task at hand (Rico, Molleman, Mazanares, & Vegt, 2007). Greater autonomy leads to greater interaction among team members, hence enabling team sensemaking. Based on the discussion above, the following hypothesis was developed.

Hypothesis 1: Team autonomy has a positive relationship with adaptive selling.

Hypothesis 2: Team sensemaking mediates the relationship between team autonomy and adaptive selling.

B. Relationship between world mindedness, team sense making and adaptive selling

World mindedness refers to a team's frame of reference, about cultural diversity (Bush, Rose, Gilbert & Ingram, 2001). The more "cosmopolitan" a team's perspective toward the better its understanding of intercultural communication (Wiseman, Hammer, and Nishida 1989). World mindedness is different from cultural diversity in that a team may be homogenous but have respect for other cultures. It is believed that strong empathy with customers results in a greater awareness of customer's long-term needs. Such high concern for customer needs may facilitate customer-centric and customized selling behaviors, therefore help improve sales performance (Nguyen, Hoang, Lien, Pham, & Pham, 2022). Furthermore, world mindedness expands knowledge of one's own culture as well. Many knowledge intensive firms have culturally diverse interactions and deal with clients based in other countries. The greater a team's world mindedness the better the communication between buyers and sellers about their needs and expectations. In light of the above argument the following hypothesis is proposed.

Hypothesis 3: Team world mindedness has a positive relationship with adaptive selling.

Hypothesis 4: Team sensemaking mediates the relationship between worldmindedness and adaptive selling.

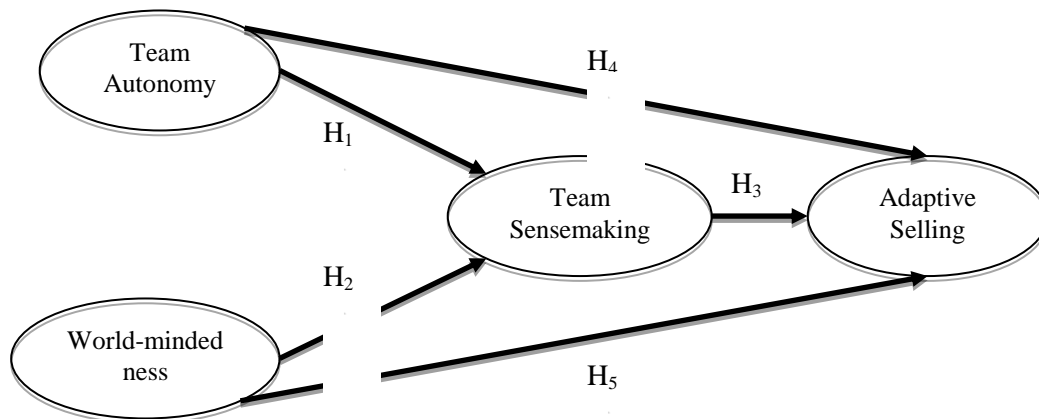


Fig. 1: Conceptual framework

III. METHODOLOGY

A. Sample

Data was collected from teams that worked for knowledge intensive firms in Pakistan. Oftentimes there is a high degree of customization required by the customers in knowledge intensive industry, hence this provides an appropriate context for this research. Adaptive selling is an important team outcome and a relevant skill. Participation in the survey was voluntary. A total of 209 usable responses were received. The hypotheses was tested using structural equation modeling.

B. Measures

Team Autonomy has been measured using three items, using the scale developed by Kirkman, Rosen, Tesluk and Gibson, 2004. A sample statement is "My team can select different ways to do the team's work".

World mindedness has been measured using three items, modified from the scale developed by Bush, Rose, Gilbert & Ingram, 2001. A sample statement is "It would be better to be a citizen of the world than of any particular nation."

Team Sensemaking has been measured using fifteen items, using the scale developed by Talat and Riaz (2020). A sample statement is "Team members regularly draw on other team members to reinterpret a problem and make sense of it in a creative way."

Adaptive Selling was measured using the three items of the ADAPTS scale developed by Spiro & Weitz (1990) and modified by Charoensukmongkol & Suthatorn, (2020). Sample items include, "When our team feel that our sales approach is not working, we can easily change to another approach."

IV. RESULTS

A. Measurement Model

Before testing the model through Structural Equation Modeling, Confirmatory Factor was conducted to assess model

fit. The results indicated a good fit (CMIN/df=1.822, CFI=0.902, NFI=0.837, RMSEA=0.063).

Furthermore, the convergent reliability (CR) of team autonomy, worldmindedness, team sensemaking and adaptive selling was found to be greater than 0.7. Hence all the variables in the model meet the criteria of convergent reliability. The analysis result shows that values of average variance extracted for team autonomy, world mindedness, team sensemaking and adaptive selling is greater than the value of squared correlation of all other constructs (Fornell and Larcker, 1981). Hence, discriminant validity is considered valid.

B. Structural Model

Hypothesis 1 predicted there will be a positive relationship between team autonomy and adaptive selling. The standardized direct effect of team autonomy on adaptive selling is 0.496(p<0.01). Hypothesis 2 predicted an indirect effect of team autonomy on adaptive selling mediated by team sensemaking. The standardized indirect effect is 0.294 (p<0.01). Hence, Hypotheses 1 and 2 find support.

The standardized direct effect of world mindedness on adaptive selling is insignificant. We do not find support for H3. The standardized indirect (mediated) effect of world mindedness on adaptive selling is 0.142(p<0.01). Consistent with H4, team sensemaking mediates (indirect-only) the relationship between world mindedness and adaptive selling.

V. DISCUSSION

The objective of the study was to explore the impact of two factors (team autonomy and world mindedness) on adaptive selling and to further explores how any indirect effects in presence of team sensemaking as a mediating variable. The current study shows that team autonomy has a direct impact on adaptive selling; moreover, the positive impact of team autonomy and world mindedness on adaptive selling benefits from the presence of team sensemaking.

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