

## EFFECT OF ABILITY ON SALESPERSON PERFORMANCE THROUGH ADAPTIVE SELLING BEHAVIOR AS AN INTERVENING VARIABLE

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### **ABSTRACT**

*This research was conducted at PT PX, which is a state-owned company in Indonesia appointed to produce and distribute subsidized fertilizers. PT PX is facing the risk of being diverted from fertilizer subsidies by the Government. To deal with this risk, PT PX has prepared a strategy that is to increase sales of non-subsidized fertilizers and non-fertilizer products. However, the sales performance of non-subsidized fertilizers and non-fertilizer products did not reach the target as expected. The author wants to examine whether the sales target is not achieved due to salesperson's ability. In addition to ability, sales performance is also influenced by sales behavior done by salesperson, one of which is adaptive selling behavior. Therefore, this study was conducted to determine the ability possessed by salesperson at PT PX on sales performance through their adaptive selling behavior. This research was conducted using partial least square analysis techniques. The results of this study indicate that the salesperson's ability has a significant effect on salesperson's performance through adaptive selling behavior.*

**Keywords:** *Salesperson's Ability, Adaptive Selling Behavior, Salesperson's Performance*

### **I. PLEMINARY**

PT PX is one of the BUMN subsidiaries appointed to produce and distribute subsidized fertilizers. Apart from subsidized fertilizers, PT PX also produces non-subsidized fertilizers, non-fertilizer products and chemicals such as chili seeds, agricultural lime, ammonia and phosphoric acid. Currently, PT PX is facing the risk of being diverted from fertilizer subsidies by the Government. This threatens the main competitive advantage of the company, where the company that was initially able to sell fertilizer at a lower price due to government subsidies must increase its price, such as the price of non-subsidized fertilizers and have to compete with competitors. increasing sales of non-subsidized fertilizers and non-fertilizer products. However, the sales performance of non-subsidized fertilizers and non-fertilizer products did not reach the target as expected.

Salespeople who have been in the comfort zone because their duties depend on the distribution of subsidized fertilizers, are being pursued to try harder to market non-subsidized fertilizers and non-fertilizer products. To support this, salespeople need to have the ability to sell products well. According to Basir et al. (2010) states that salesperson's ability to sell plays an important role in relation to sales performance. Limbu et al. (2016) stated that salesperson's ability is a predictor of sales behavior, which in turn determines sales performance. Meanwhile, the selling behavior (selling behaviours) includes adaptive selling behavior. So it can be said that adaptive sales behavior can determine sales performance. Therefore, this study was conducted to determine the ability of salespeople in the company to sales performance through their adaptive sales behavior.

## II. THEORETICAL FRAMEWORK AND HYPOTHESIS FORMULATION

### 1. The Effect of Ability on Adaptive Selling Behavior

Ability or ability is an individual's capacity to perform various tasks in a job (Robins & Judge, 2013, p. 51). Menurut Keith Davis (1985) quoted by Mangkunegara (2012, p. 13) formulates ability as the capacity to carry out work which is influenced by knowledge and skills. A salesperson must have the ability to sell (selling ability) in order to carry out his duties properly and achieve predetermined targets. Sales skills that a salesperson must have consist of personal skills (interpersonal skills), sales skills (salesmanship skills) and technical knowledge (Rentz et al, 2002; Basir et al., 2010).

Interpersonal skills are skills to build relationships with other people (Suhariadi, 2013, p. 43). Selling skills is defined by Dutta & Girish (2011, p. 22) as the art of influencing others (persuading) others to buy certain products. Meanwhile, technical knowledge (technical knowledge) according to Basir et al. (2010), refers to the behavior of salespeople in providing information about product design and specifications and applications and functions of products and services.

Adaptive sales behavior is sales behavior by shaping the content and sales interaction style in a way that is most suitable for the sales situation and type of customer (McFarland, et al., 2006 in Singh et al., 2017). A salesperson shows high adaptive sales behavior when making different sales presentations in each sales transaction and makes adjustments based on real-time feedback and assessments according to the sales situation (Singh et al., 2017). According to Baldauf & Cravens, 2002, to achieve high adaptive selling performance requires salespeople with selling skills and product knowledge (abilities). According to Weitz et al. (1986), the ability is needed to adapt sales behavior effectively to the demands of the sales situation. Thus, the ability to sell will guide sales behavior that is tailored to the sales situation and the type of customer.

According to Hastuti (2014), salespeople need the ability to adapt in using sales strategies, by considering typical sales motives and behaviors that occur during interactions with customers based on perceived information about the characteristics of sales situations. In other words, the salesperson's abilities make it easier to make adaptive sales. Based on the above statement it can be concluded :

H<sub>1</sub> : Salesperson's ability has a significant positive effect on adaptive selling behavior

### 2. The Effect of Adaptive Sales Behavior on Salesperson Performance

Adaptive selling often requires complex behavioral adjustments of salespeople because customer value creation occurs when salespeople can effectively change logistical, administrative, knowledge and financial practices and techniques to meet customer needs (Hagberg-Andersson, 2006 in Jaramillo et al., 2007). That said, adaptive selling involves listening to customers, but more importantly responding to customer input. Adaptive selling is very important for sales force performance because the relationship between the seller and the buyer will be strengthened when the seller listens to the customer and responds by adjusting the sales strategy according to the needs and preferences of each customer (Jaramillo et al., 2007).

According to Hastuti (2014), adaptive sales behavior shows the ability and ability of salespeople to carry out certain techniques and approaches appropriately by paying attention to the conditions and situations at hand. Salespeople can provide a satisfaction of needs to customers

because they are able to recognize each different customer needs and wants and provide an appropriate alternative approach. In the end, adaptive selling will improve the sales performance achieved by the salesperson. Based on the above statement it can be concluded :

H<sub>2</sub> : Adaptive selling behavior has a significant positive effect on salesperson performance

### **3. The Effect of Ability on Salesperson's Performance Through Adaptive Selling Behavior**

Limbu et al. (2016) stated that salesperson's ability is a predictor of sales behavior, which in turn determines sales performance. Capabilities can assist salespeople in understanding and empathizing with clients, gathering and disseminating necessary information and altering sales presentations during customer interactions. Plank & Greene (1996) in Limbu et al. (2016) suggest that salespeople who have adaptive sales behavior are more successful than those who don't.

Weitz et al. (1986) in Limbu et al. (2016) stated that adaptive selling demands the ability of salespeople to adapt their presentations to different customers in various situations which have a positive effect on performance. One reason is that highly adaptive salespeople are more likely to make persuasive and customized presentations that are effective in closing sales (Predmore & Bonnice, 1994 in Limbu et al., 2016). The ability of salespeople to communicate and persuade buyers to close sales is very important for sales achievement, adaptive sales strategies have a significant positive impact on salesperson performance (Limbu et al., 2016). Based on the above statement it can be concluded :

H<sub>3</sub> : Ability has a significant positive effect on salesperson performance through adaptive selling behavior

### **4. Effect of Ability on Salesperson Performance**

A salesperson must have the ability to sell (selling ability) in order to carry out his duties properly and achieve predetermined targets. Limbu et al. (2016) stated that salesperson's ability is a predictor of sales behavior, which in turn determines sales performance. Capabilities can assist salespeople in understanding and empathizing with clients, gathering and disseminating necessary information and altering sales presentations during customer interactions.

According to Hastuti (2014), salespeople who have the ability to sell (selling abilities) are more effective in carrying out sales activities so that the achievement of company goals will be easier to achieve. Salesperson's ability is needed to implement various sales strategies to achieve company goals. Salesperson's performance is positioned as a measure of company performance and is shown by the effectiveness of sales activities by salespeople who have the ability to sell.

H<sub>4</sub> : Ability has a significant positive effect on salesperson performance

## **III. RESEARCH METHODS**

This research is included in quantitative research. Quantitative research uses instruments (data collection tools) that produce numerical data (numbers). The instrument used in this study was a survey of 87 salespeople at PT PX who were analyzed using the Partial Least Square (PLS) technique. The independent, dependent and intervening variables in this study are the salesperson's ability, salesperson's performance and adaptive sales behavior.

Ability (ability). Ability is a capacity or talent inherent in a person that is obtained from birth, learning or experience which is used to perform various tasks in a physical or mental job. The questionnaire in this study used a question instrument based on the research of Rentz et al. (2002). Adaptive selling behavior (adaptive selling behavior) is defined as a change in sales behavior during interaction with customers by shaping the content and style of sales interactions in a way that is most suitable for the sales situation and the type of customer based on the perception of information related to the sales situation. The intervening variable of this research is adaptive selling behavior measured using The Adaptive Selling Scale (ADAPTS) developed by Spiro & Weitz (1990). Salesperson performance is an evaluation of salesperson's behavior in contributing to achieving organizational goals. Sales force performance is measured using a performance statement developed by Behrman & Perreault (1982).

#### **IV. RESULTS AND DISCUSSION**

##### **1. The Effect of Ability on Adaptive Selling Behavior**

From the results of hypothesis testing, it is known that the salesperson's ability has a significant positive effect on adaptive sales behavior of PT PX salesperson employees, meaning that the higher the salesperson's ability, the higher the adaptive sales behavior.

The results of this study are in line with research conducted by Hastuti (2014) which states that salespeople need the ability to adapt themselves to using sales strategies, taking into account typical sales motives and behaviors that occur during interactions with customers based on perceived information about the characteristics of sales situations. In other words, the salesperson's abilities make it easier to make adaptive sales.

The results of this study indicate that the highest loading factor value in the salesperson's ability variable is the interpersonal skill dimension of 0.655242, meaning that a salesperson employee is able to interact through social communication with customers effectively, such as conveying ideas or ideas. as well as verbal information, express opinions, persuade customers. These skills will help the salesperson tailor the sales strategy that best suits the character and needs of the different customers.

The results of this study indicate the technical knowledge possessed by salesperson employees at PT PX supports their sales activities. The technical knowledge referred to for example: knowledge of the composition, type, price, method of use and dosage of the product offered to customers (product knowledge mastery). Product-related knowledge is not limited to company products, but also products of competitors; procedures imposed by the company; industry and market trends. With technical skills, salespeople are able to provide satisfactory service and are able to convince customers to buy the products offered.

Based on the description above, it can be concluded that the skills and knowledge possessed by a salesperson form the ability to adjust sales behavior effectively to the demands of the sales situation. Thus, the salesperson's ability will guide the salesperson in adjusting the sales strategy to the sales situation and type of customer.

##### **2. The Effect of Adaptive Sales Behavior on Salesperson Performance**

Based on the results of hypothesis testing, it is known that adaptive sales behavior has a significant positive effect on salesperson performance. The results of this study are supported by

research conducted by Hastuti (2014) which states that there is a positive influence there is a positive influence between adaptive selling behavior on sales performance.

Salespeople must always adjust their activities in response to customer reactions, which has implications for achieving the highest performance. The ability of salespeople to find and use the approach that best suits their customers should improve their performance. adaptive sales behavior shows the ability and proficiency of salespeople to carry out certain techniques and approaches appropriately by taking into account the conditions and situations at hand. Salespeople can provide a satisfaction of needs to customers because they are able to recognize each different customer needs and wants and provide an appropriate alternative approach. In the end, adaptive selling will improve the sales performance achieved by the salesperson.

### **3. The Effect of Ability on Salesperson's Performance Through Adaptive Selling Behavior**

According to the hypothesis put forward by the researcher which states that the salesperson's ability has a significant positive effect on salesperson's performance through adaptive sales behavior, the results are significantly positive, acceptable. The results of this study are supported by research conducted by Limbu et al. (2016) which states that salesperson's ability is a predictor of sales behavior, which in turn determines sales performance. Capabilities can assist salespeople in understanding and empathizing with clients, gathering and disseminating necessary information and altering sales presentations during customer interactions.

The test results show that the direct effect provided by the salesperson's ability to salesperson's performance has a coefficient value greater than the indirect effect  $0.093108 > 0.093107$ , with each direct and indirect effect being positive and significant. This means that the adaptive sales behavior variable in this study is not proven to act as a mediating variable between the effect of salesperson's ability on salesperson's performance. From the type of influence, it can be concluded that adaptive selling behavior is a partial mediation.

Sales unit employees of PT. PX, which has high adaptive sales, is able to absorb information when interacting with customers. The higher the adaptability, the better the relationship with the customer, the analysis shows that adaptive behavior is able to mediate (partial mediation,  $0.093108 > 0.093107$ ) the effect of salesperson's ability on salesperson's performance. Salespeople who have reliable abilities will improve their performance to behave adaptively, which in turn has an impact on increasing sales performance.

### **4. Effect of Ability on Salesperson Performance**

In accordance with the hypothesis put forward by the researcher which states that adaptive sales behavior has a significant positive effect on salesperson performance, the results are significantly positive, acceptable. The results of this study are supported by research conducted by Limbu et al., (2016) which states that the ability of salespeople to communicate and persuade buyers to close sales is very important for sales achievement, adaptive sales strategies have a significant positive impact on salesperson performance.

The results of this study indicate that the increase in sales performance is strongly influenced by the salesperson's performance of PT. PX. Because of this, several things that need to be considered in sales force management include: training to manage the salesperson's ability to manage the salesperson's performance. Sales activities / activities are very effective when the

salesperson has high ability and experience. Learning from experience is one of the keys to a salesperson's success in improving performance.

PT. PX always makes salespeople a liaison between the company and customers because the salesperson's ability is one of the intermediary media for products / services owned by the company to reach consumers. The salesperson's ability is the main source in increasing the company's sales revenue. Through the sales force, the company can find out about market developments in real-time, and can identify new trends and conduct business forecasts.

According to Cicala et al. (2012), learned from experience that trained salespeople to use their time as effectively as possible when carrying out sales activities. The ability of experienced salespeople will always provide a deep understanding to customers, and the experience that salespeople have will make them better understand which sales strategies are appropriate to be applied to sales activities.

## V. CONCLUSIONS, IMPLICATIONS, RESEARCH ADVICE AND LIMITATIONS

Based on the analysis and discussion of the research results, the following conclusions are obtained: Salesperson's ability has a significant positive effect on adaptive sales behavior of PT. PX; Adaptive selling behavior has a significant positive effect on the performance of the sales force employees of PT. PX; The ability has a significant positive effect on the performance of the sales force employees of PT. PX through adaptive sales behavior. This proves that the adaptive sales behavior variable in this study is not proven to act as a mediating variable between the influence of salesperson's ability to salesperson's performance. From the type of influence that adaptive sales behavior is a partial mediation.

Based on the results of the research that has been done, suggestions can be put forward as improvements. In an effort to improve sales force performance, it is necessary to increase competence through increasing interpersonal skills, sales skills, technical skills possessed by salespeople. PT PX needs to maximize the provision of its sales force through periodic trainings to improve interpersonal skills, salesmanship skills, and technical skills that lead to the maximum achievement of company goals. For further research, the researcher should be able to add a larger number of samples and add or include other variable constructs in the form of exogenous constructs.

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