# Bringing meaning to the sales job: The effect of ethical climate and customer demandingness

By: Fernando Jaramillo, Jay Mulki, and James S. Boles

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#### Abstract:

Top performing salespeople are attracted to organizations that provide opportunities to make full use of their abilities. Responses from 1450 sales directors from a leading direct selling organization were used to examine salesperson's experienced meaningfulness. Results show that experienced meaningfulness is critical to sales because it impacts salesperson's performance, turnover intentions and felt stress. Further, ethical climate and customer demandingness influence experienced meaningfulness perceptions.

**Keywords:** ethical climate | sales force ethics | customer behavior | sales management | job related stress | direct selling

# Article:

#### 1. Introduction

Paying a competitive salary is not sufficient for attracting and keeping top performing salespeople because employees are also concerned about finding a "meaningful job." As <u>Pink</u> (2011) asserts, "We leave lucrative jobs to take low-paying ones that provide a clearer sense of purpose" (p. 26). Employees gravitate towards meaningful jobs, driven by "purpose maximizing" rather than "profit maximizing" (<u>Pink, 2011, p. 31</u>).

Employees believe that the employer has both *transactional* and *relational* obligations towards workers (Lee, Liu, Rousseau, Hui, & Chen, 2011). Transactional obligations correspond to monetary expectations whereas relational obligations correspond to commitments concerning a meaningful job. Another study that compared reward valence across three generations (Baby Boomers, Generation-X, and Generation-Y) in the U.S. shows that in spite of the increased financial demands today's employees face, workers still value intrinsic rewards over other rewards (Twenge, Campbell, Hoffman, & Lance, 2010). Jobs deemed interesting, creative, and providing opportunities for growth and learning are preferred to jobs that simply offer an opportunity to make money.

<u>Martel's (2003)</u> study of top performing firm's best practices found that *above all*, these companies communicate to employees that their work is important and valued. These practices are conducive to experienced meaningfulness, employees' beliefs that their jobs provide them with the opportunities to perform activities that *truly matter* (<u>Renn & Vandenberg, 1995</u>), and thus *count* "in one's own system of values" (<u>Hackman & Oldham, 1980, p. 73</u>). <u>Piccolo,</u> <u>Greenbaum, Den Hartog, and Folger (2010)</u> found that "when employees are motivated by jobs that have a positive and meaningful impact on other people, they work harder by exhibiting higher levels of effort, which then lead to higher performance" (p. 266). Despite findings that experienced meaningfulness helps firms retain valued people and achieve higher performance, empirical research examining how these perceptions are formed and their effect on selling organizations is sparse.

This study proposes that experienced meaningfulness is driven by customer demandingness and ethical climate. In the current marketplace, customer sophistication and expectations are increasing (Thull, 2010). Customers want a salesperson who can solve problems and provide value added solutions. While serving demanding customers can be difficult, these challenges may bring out the salesperson's best work (Jaramillo & Mulki, 2008). Providing solutions to complex problems may enhance a salesperson's belief that she is performing a meaningful job.

Research indicates that an ethical climate makes sales jobs more attractive and desirable (<u>Schwepker & Good, 2007</u>). Further, employees who work for ethical organizations report lower stress levels and increased job satisfaction (<u>Babin et al., 2000</u>, <u>Schwepker, 2001</u>). Thus, ethical climate is associated with a positive job environment conducive to experienced meaningfulness perceptions.

Experienced meaningfulness can lead to positive organizational outcomes (<u>Thakor & Joshi</u>, <u>2005</u>). However, research aimed at understanding the drivers of experienced meaningfulness and their relationship with performance and turnover is lacking. To address this shortcoming, this study tests a model linking experienced meaningfulness, ethical climate, customer demandingness, felt stress, job performance, turnover intentions, salesperson's age and job tenure (see Fig. 1).

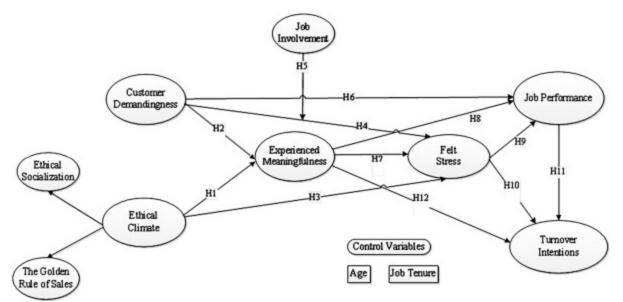


Fig. 1. Experienced meaningfulness model. Note: Paths were added from control variables to all endogenous variables.

## 2. Theory and hypotheses

#### 2.1. Experienced job meaningfulness

Experienced meaningfulness is the belief that a person is doing "something that counts" in her "own system of values" (Hackman & Oldham, 1980, p. 73). Such beliefs can develop when the employee thinks the firm performs ethical actions. This credence occurs because ethical firms communicate to employees how their actions contribute to socially responsible goals. <u>Piccolo et</u> <u>al. (2010)</u> assert that ethical leadership gives meaning to work activities by "[making] salient to followers the purpose, morality, and ethicality of work" (p. 262). Organizations with business practices driven by a "doing the right thing" philosophy enhance task significance and work meaning by clarifying employee contribution to moral ideals and higher order goals. Under such conditions, employees believe that the organizational values are in line with their own values making the job meaningful (Weeks, Loe, Chonko, Martinez, & Wakefield, 2006). Studies consistently indicate that ethical climate influences employee's attitudes (DeConinck, 2010). Therefore we hypothesize:

H<sub>1</sub>. Ethical climate is positively related to experienced meaningfulness.

<u>Wang and Netemeyer (2002)</u> defined customer demandingness as a salesperson's belief that customers have high expectations about products and services offerings. Employees enjoy jobs that provide them with opportunities to learn and apply new skills—satisfying their job growth needs. <u>Pink (2011)</u> asserts that employees are driven towards interesting, challenging, and absorbing jobs and are intrinsically motivated by "becoming better and better at something that matters" (<u>Pink, 2011, p. 79</u>). Salespeople will perceive demands from customers as challenging and motivating since they provide salespeople with opportunities for new learning and personal advancement. The above discussion suggests:

H2. Customer demandingness is positively related to experienced meaningfulness.

#### 2.2. Felt stress

The National Institute of Occupational Safety and Health define stress as "harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker." Felt stress stimulates feeling of tension and pressure when faced with work demands. These feelings are linked to numerous factors, including role stress (e.g., <u>Boles, Johnston, & Hair, 1997</u>) and work–family conflict (e.g., <u>Netemeyer, Maxham, & Pullig, 2005</u>).

<u>Goolsby (1992)</u> proposed a Stress Theory (ST) for boundary spanning positions. ST states that boundary spanning employees are affected by two critical stressors, ethical demands and customer demands. <u>Levy and Dubinsky (1983)</u> note that salespeople face multiple ethical dilemmas that can result in "increased levels of job-related tension, frustration, and anxiety, all of which can lead to lower job performance and higher turnover" (p. 48). Numerous studies demonstrate that ethics play an important role in stress perceptions (<u>Evans, McFarland, Dietz, &</u> <u>Jaramillo, 2012</u>) such as role conflict and role ambiguity (<u>Mulki, Jaramillo, & Locander, 2008</u>). Therefore, we hypothesize that:

H<sub>3</sub>. Ethical climate is negatively related to felt stress.

<u>Goolsby (1992)</u> posits that meeting customer needs creates stressful job demands. This occurs because customer–salesperson relationships are often asymmetrical; customers have little regard for a salesperson's needs while the salesperson is expected to provide high levels of satisfaction to the customer. Jaramillo and Mulki (2008) argue that serving demanding customers puts additional pressure on salespeople in terms of increased effort and workload. Increased workload is a source of stress in sales settings.

Researchers have also distinguished between *hindrance* stressors and *challenge* stressors (Cavanaugh, Boswell, Roehling, & Boudreau, 2000). Hindrance stressors restrain personal development and work related accomplishments while challenge stressors promote employee growth and work achievement. Hindrance stressors are composed of situational constraints like role ambiguity and job insecurity. Challenge stressors include work volume, time pressure, job scope, and increased responsibility. This distinction is important because hindrance stressors result in negative emotions/attitudes while challenge stressors lead to higher levels of job satisfaction, organizational commitment, and reduced turnover (Podsakoff, LePine, & LePine, 2007).

However, <u>Podsakoff et al. (2007)</u> indicate that challenge and hindrance stressors are associated with higher levels of employee burnout and tension. Employees view challenging job demands as desirable and satisfying because they create opportunities for personal growth. Yet, job challenges can be stressful by placing high demands on the employee. Challenge stress is associated with desirable work outcomes yet still is individually straining (<u>Boswell et al.</u>, 2004, <u>Pink</u>, 2011). Therefore:

H4. Customer demandingness is positively related to felt stress.

This study posits that job involvement also influences relationships between customer demandingness and felt stress. Job involvement is the extent a salesperson values the job and is associated with the amount of personal equity invested in the sales position (Holmes & Srivastava, 2002). Salespeople with a high level of job involvement care about their positions and perceive them to be an important aspect of their lives—enhancing their self-image (Brown & Leigh, 1996). Brown (1996) demonstrates that job involvement is related to perceptions of personal growth and job satisfaction. Therefore, job involvement may buffer the negative impact of customer demands on stress. Salespeople with high levels of job involvement are less affected by customer demands because they see job demands as opportunities for personal development and growth.

**H5.** Job involvement moderates the relationship between customer demandingness and felt stress. This relationship is weaker at higher levels of job involvement.

Salespeople serving demanding customers may also feel accomplished and thus willing to put forth greater job effort (<u>Thakor & Joshi, 2005</u>) and learning effort (<u>Wang & Netemeyer</u>, 2002). Jaramillo and Mulki (2008) found that salespeople work harder and smarter when they perceive customers as demanding. Customer demandingness leads to higher levels of effort and superior performance.

Customer demandingness is likely to be associated with job demands, pressure, time urgency and high workload, which are challenge stressors (<u>Cavanaugh et al., 2000</u>). <u>LePine, Podsakoff, and LePine (2005</u>) show that challenge stressors are positively related to job performance. They argue that this relationship occurs because challenge stressors motivate employees to perform at higher levels. This is consistent with findings in sales contest research which shows that perceived contest difficulty is related to effort (<u>Poujol, Fournier, & Tanner, 2011</u>). Therefore, we hypothesize:

H<sub>6</sub>. Customer demandingness is positively related to job performance.

<u>Knoop (1994)</u> proposes that individuals develop strain when they expend effort on meaningless tasks. Performing unimportant activities is stressful because they underutilize employee skills (<u>Hoyt & Gerloff, 1999</u>). Conversely, employees report lower stress levels when they believe that their jobs are important (<u>Jex, 1998</u>). Similarly, <u>Low, Cravens, Grant, and Moncrief (2001</u>) show that salespeople who perceive intrinsic value in the job in terms of meaning, recognition, and achievement experience less stress. We hypothesize:

H7. Experienced meaningfulness is negatively related to felt stress.

#### 2.3. Job performance

Self-verification theory posits that motivation to work is driven by the need to confirm a person's self-view (<u>Swann, Rentfrow, & Guinn, 2002</u>). Basically, employees are motivated to put forth more effort into their jobs when they believe the firm's values are consistent with their own

values. Employees deem their job meaningful when the organization provides them with the opportunity of "doing something that counts in one's own system of values" (<u>Hackman & Oldham, 1980, p. 73</u>). Based on these findings, we hypothesize:

H8. Experienced meaningfulness is positively related to job performance.

Job stress emanates from employee's reaction to conditions at work. When employees are stressed, they often fail to perform at full capacity because mental resources are diverted to handling stress (<u>Cohen & Williamson, 1991</u>). Stress can lead to involuntary physiological reactions like immune system responses that can negatively impact employee's performance. <u>Gilboa, Shirom, Fried, and Cooper's (2008)</u> meta-analysis shows that "on average" felt stress and job performance are negatively related. In view of this we hypothesize

H<sub>9</sub>. Felt stress is negatively related to job performance.

## 2.4. Turnover intention

Salesperson's turnover has been extensively studied in the sales literature. Managers are concerned when successful salespeople quit leaving their territories vulnerable to competitors. Turnover is particularly troublesome in direct selling (<u>Peterson & Wotruba, 1996</u>). Research indicates that turnover intentions are significantly higher when the salesperson is experiencing high levels of stress (e.g. <u>Bhuian, Mengue, & Borsboom, 2005</u>). From these findings, we hypothesize:

H<sub>10</sub>. Job stress is positively related to turnover intention.

Research linking salesperson's job performance to turnover intention has produced mixed findings (<u>Babakus et al., 1999</u>, <u>Netemeyer et al., 2004</u>). The performance turnover relationship is re-tested in this study. <u>Jaramillo, Ladik, Marshall, and Mulki (2007</u>) assert that salespeople with higher performance are often rewarded and promoted and become less interested in searching for alternative jobs. This leads to the following hypothesis:

H<sub>11</sub>. Job performance is negatively related to turnover intention.

A fundamental premise of <u>Hackman and Oldham's (1980)</u> conceptualization is that experienced meaningfulness leads to high internal work motivation. Intrinsically motivated salespeople find their job inherently rewarding and satisfying (<u>Pullins, 2001</u>). Intrinsic motivation is negatively associated with salesperson's turnover intentions (<u>Low et al., 2001</u>). Therefore:

H<sub>12</sub>. Experienced meaningfulness is negatively related to turnover intention.

# 2.5. Control variables

<u>Franke and Park (2006)</u> indicate that job tenure is an important predictor of salesperson's job performance. Salesperson tenure is positively associated with experienced meaningfulness (<u>Thakor & Joshi, 2005</u>), and negatively associated with felt stress (<u>Michaels & Dixon, 1994</u>) and

turnover (Jones et al., 2007, Jones et al., 2007). Similarly, salesperson's age has been linked to numerous organizational outcomes, including experienced meaningfulness (Thakor & Joshi, 2005), job stress (Jones et al., 2007, Jones et al., 2007), and performance (Jaramillo & Mulki, 2008). Therefore, job tenure and age are treated as control variables.

#### 3. Method

#### 3.1. Sample

Data collection efforts were sponsored by a major direct selling organization. Direct sellers are firm representatives but are independent agents and are not subject to control systems found in traditional sales settings. In this organization, direct sellers are separated into two groups; consultants and directors. Direct sellers entering the organization initially are consultants and their promotion to sales director depends on sales results and their recruiting ability. This context is appropriate for studying salesperson performance drivers like felt stress and experienced meaningfulness. Brown and Peterson (1994) posit that the direct selling context is ideal for studying the impact of constructs like motivation, satisfaction, and effort because direct sellers have strong job autonomy which translates into greater control over their effort and results.

A survey was posted on the company website. The organization asked 2029 sales directors in the U.S. to participate in this study. The survey remained on the company website for two weeks and responses were accumulated electronically. A total of 1455 sales directors completed the survey. Five incomplete responses were discarded resulting in a 71% effective response rate. All respondents were females reflecting the nature of the products sold by the organization. The age of the respondents ranged from 21 to 80 years ( $\mu = 44$ ,  $\sigma = 10.4$ ). The number of years on the direct selling job ranged from less than a year to 35.5 years ( $\mu = 10.9$ ,  $\sigma = 7.5$ ). The average tenure was 10.9 years (SD = 7.5) and ranges from 0.7 to 35.5 years. A majority of respondents were Caucasians (n = 811) followed by Hispanics (n = 169) and African-Americans (n = 87). Average monthly individual sales were \$7098 ( $\sigma = 4421$ ).

#### 3.2. Measures

<u>Appendix A</u> shows the scales used in this study. Questions were pre-tested and scale items adapted to the direct selling context. *Ethical climate* was measured with 4 items specifically designed for the organization. Two items measure a salesperson's belief that acceptable ethical behaviors are learned through a socialization process involving observing other sales directors and corporate employees. Salespeople evaluate the firm's ethical climate and learn about "right" or "wrong" behaviors primarily from observation (Ingram, LaForge, & Schwepker, 2007). The survey also included two items that measure salesperson's credence that the organization follows the golden rule of selling: do unto others as you will have them do unto you. Jones, Chonko, et al. (2007) and Jones, Felps, et al. (2007) posit that the golden rule is at the core of the Kantian ethics philosophy which emphasizes motives for acting, respect for persons, and universal principles. From a deontological perspective, the golden rule is often viewed as a standard for judging individual actions (Rallapalli, Vitell, & Barnes, 1998). As Weeks et al. (2006) show, the golden rule is the conventional standard for judging ethics in sales.

The survey instrument also included an open ended question that asked salespeople to describe characteristics of their jobs they considered attractive. Company ethics and the golden rule were frequently deemed elements of job attractiveness, e.g., "I love the company's morals and ethics," "I truly believe in this company and its ethics, and try to live and work by them," "Ethics and caring of company," "[COMPANY-NAME] values to live by the Golden Rule," "The ethics and the 'Golden Rule' guidelines that [COMPANY-NAME] established."

Customer demandingness was assessed with 4 items from <u>Wang and Netemeyer's (2002)</u> scale. Experienced meaningfulness was measured with 6 items (<u>Thakor and Joshi, 2005</u>). A 3-item instrument reported in <u>Netemeyer et al. (2005</u>) was used to measure felt stress. Job performance was evaluated with 5 items (<u>Piercy, Cravens, & Lane, 2001</u>). Job involvement was measured with 3 items (<u>Holmes & Srivastava, 2002</u>). Finally, turnover intention was measured with a single item developed by <u>Spector (1985)</u> and adapted to suit the current sample, "how often have you seriously considered ending your business?" A reliability of 0.85 was used to set its factor loading value and error variance (<u>Donavan, Brown, & Mowen, 2004</u>). <u>Table 1</u> presents the correlation matrix and various construct statistics.

		EC1	EC2	CD	EM	STR	JI	JP	ΤΟΙ	JT	AGE
EC1	EC—Golden Rule	0.70									
EC2	EC—Socialization	0.18**	0.63								
CD	Customer demandingness	0.04	0.02	0.82							
EM	Experienced job meaningfulness	0.07**	0.24**	0.20**	0.87						
STR	Felt stress	0.01	-0.01	- 0.07**	- 0.30**	<i>0.72</i>					
JI	Job involvement	- 0.05*	0.10**	0.13**	0.24**	$-0.10^{**}$	0.85				
JP	Job performance	-0.04	0.03	0.26**	0.24**	$-0.28^{**}$	0.14**	<b>0.</b> 77			
TOI	Turnover intentions	0.01	$-0.07^{**}$	- 0.12**	- 0.23**	0.30**	- 0.27**	- 0.16**	1.00		
JT	Job tenure	0.00	- 0.13**	0.10**	-0.04	- 0.09**	- 0.10**	0.09**	- 0.03		
AGE	Age	0.05*	- 0.08**	0.06*	-0.04	-0.08**	- 0.07**	0.05*	0.02	0.64**	1.00
	Mean	6.63	5.55	5.62	6.28	2.95	4.97	5.28	2.22	10.87	44.01
	Standard deviation	0.83	1.32	1.04	0.77	1.47	1.43	1.05	1.10	7.53	10.41
	Average variance extracted	0.59	0.47	0.57	0.59	0.49	0.74	0.49			

Table 1. Correlations and descriptive statistics.

Cronbach's  $\alpha$  on the diagonal.

\*\* Significant at  $\alpha = 0.01$ .

\* Significant at  $\alpha = 0.05$ .

#### 3.3. Measurement model

A confirmatory factor analysis assessed properties of the latent variables (<u>Anderson & Gerbing</u>, <u>1988</u>). Results suggest adequate fit:  $\chi^2 = 604.9$ , df = 188, p < 0.001; CFI = 0.96; RMSEA 0.039 (<u>Hair, Black, Babin, & Anderson, 2010</u>). Evidence of convergent validity was found. All indicator loadings were above 0.50 and significant at  $\alpha = 0.01$  (<u>Appendix A</u>). Finally, discriminant validity was evaluated by comparing average variance extracted (AVE) with the squared correlations between constructs (Hair et al., 2010). In all cases, AVE was greater than the squared correlation estimates.

#### 3.4. Structural model

Ethical climate was treated as a second order construct with two dimensions. The first dimension captures the *socialization process* (EC1) dimension. The second dimension, the *golden rule* (EC2) aspect of ethical climate. Principal component analyses were performed on EC1 and EC2 and two factors were extracted, explaining 73.2 and 79.4 of their variance.

Structural model parameters were estimated using MLM. Model fit indices, shown in Fig. 1, were acceptable:  $\chi^2 = 617.85$ , df = 165, p < 0.001; CFI = 0.96; RMSEA = 0.044. The structural model explains a significant variance of experienced meaningfulness (R<sup>2</sup> = 0.11), felt stress (R<sup>2</sup> = 0.15), job performance (R<sup>2</sup> = 0.22), and turnover intentions (R<sup>2</sup> = 0.14).

#### 3.5. Results

<u>Table 2</u> shows structural model standardized path coefficients and corresponding t-values, which support 9 of the 12 hypotheses. Ethical climate and customer demandingness have a positive impact on experienced meaningfulness, supporting <u>H</u>, <u>H</u>. Customer demandingness also has a significant effect on job performance (<u>H</u><sub>6</sub>). The study hypothesized that both ethical climate (<u>H</u><sub>3</sub>) and customer demandingness (<u>H</u><sub>4</sub>) lead to lower felt stress. However, these hypotheses were not supported. Their impact on felt stress is fully mediated by experienced meaningfulness. Also, the negative relationship between performance and turnover (<u>H</u><sub>11</sub>) was non-significant.

	Hypothesized model		
	Standardized		
Hypotheses	paths	t-values	At $\alpha = 0.05$
H <sub>1</sub> : Ethical climate $\rightarrow$ experienced meaningfulness	0.23	5.14	Supported
H <sub>2</sub> : Customer demandingness $\rightarrow$ experienced meaningfulness	0.22	6.68	Supported
H <sub>3</sub> : Ethical climate $\rightarrow$ felt stress	0.06	1.84	Not supported
H <sub>4</sub> : Customer demandingness $\rightarrow$ felt stress	-0.02	-0.52	Not supported
H <sub>5</sub> : Job involvement moderates the CD to stress relationship	$^{-0.22^{\mathrm{a}}}_{0.032^{\mathrm{b}}}$	$^{-2.76^{ m a}}_{ m 0.52^{ m b}}$	Supported
H <sub>6</sub> : Customer demandingness $\rightarrow$ job performance	0.24	6.94	Supported
$H_7$ : Experienced meaningfulness $\rightarrow$ felt stress	-0.37	-9.77	Supported
H <sub>8</sub> : Experienced meaningfulness $\rightarrow$ job performance	0.10	2.76	Supported
H <sub>9</sub> : Felt stress $\rightarrow$ job performance	- 0.31	-7.86	Supported
$H_{10}$ : Felt stress $\rightarrow$ turnover intentions	0.26	7.01	Supported
H <sub>11</sub> : Job performance $\rightarrow$ turnover intentions	-0.05	- 1.43	Not supported
H <sub>12</sub> : Experienced meaningfulness $\rightarrow$ turnover intentions	- 0.16	-4.92	Supported
Control variables			
Job tenure $\rightarrow$ experienced meaningfulness	-0.03	-0.85	Non-significant
Job tenure $\rightarrow$ felt stress	-0.09	-2.30	Significant
Job tenure $\rightarrow$ job performance	0.05	1.87	Non-significant
Job tenure $\rightarrow$ turnover intention	-0.05	- 1.49	Non-significant
Age $\rightarrow$ experienced meaningfulness	-0.02	-0.68	Non-significant
Age $\rightarrow$ felt stress	-0.06	- 1.69	Non-significant
Age $\rightarrow$ job performance	-0.02	-0.60	Non-significant
Age $\rightarrow$ turnover intention	0.08	2.22	Significant

Table 2. Model hypotheses and structural path	hs.
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<sup>a</sup> Salespeople with a *high level* of job involvement.

<sup>b</sup> Salespeople with a *low level* of job involvement.

Results demonstrate that experienced meaningfulness is a central construct in sales. Experienced meaningfulness has a direct negative impact on felt stress ( $\underline{H}_7$ ) and turnover intention ( $\underline{H}_{12}$ ), and a positive impact on job performance ( $\underline{H}_8$ ). Results also indicate that felt stress leads to lower performance ( $\underline{H}_9$ ) and higher turnover intention ( $\underline{H}_{10}$ ). Experienced meaningfulness also impacts performance and turnover indirectly.

Results show that job tenure negatively impacts felt stress but not experienced meaningfulness, performance, or turnover. The impact of age on experienced meaningfulness, felt stress and performance was not-significant. Age was positively related to turnover intention.

#### 3.6. Testing for moderation

A multi-group analysis was conducted to test for the moderating impact of salesperson's job involvement on the relationship between customer demandingness and job performance. To create a bimodal distribution around the moderator, two quartiles around the mean were removed (Hair et al., 2010). The first quartile (low JI) and the fourth quartile (high JI) were then used in the analysis. Low JI respondents were named Group 1 (n = 384) and high JI respondents were termed Group 2 (n = 228). A test for moderation was conducted by restricting the path between customer demandingness (CD) and felt stress (STR). The  $\chi^2$  result from the model with restricted path was compared with the model with unrestricted path between CD and STR. The chi-square difference between the two models was significant at  $\alpha = 0.05$  ( $\Delta \chi^2 = 6.10$ ,  $\Delta df = 1$ ; Critical  $\chi^2 = 3.84$ ). The path coefficient between CD and STR for high JI salespeople was significant and negative ( $\beta = -0.22$ , t = - 2.76) compared to the non-significant path coefficient ( $\beta = 0.03$ , t = 0.49) for low JI salespeople. Results from the multi-group analysis support the moderating role of JI (<u>H</u><sub>5</sub>).

#### 4. Discussion and managerial implications

Helping salespeople perform better and reducing turnover among top salespeople are two important issues faced by management. This study contributes to the literature by showing that experienced meaningfulness plays a critical role in explaining salesperson's job performance and turnover intention. For the coming generation of workers, the issues of finding exciting, meaningful, and challenging work are particularly critical (Ivey, 2009). These issues may be particularly important for direct selling since the National Bureau of Labor Statistics anticipates a significant growth in independent sales agent positions.

Another important contribution is the identification of two factors explaining how salesperson's perceptions of job meaningfulness are formed: customer demandingness and ethical climate. Excessive customer demands can be perceived by salespeople either as an overwhelming threat or as a challenge that helps them learn and grow. Organizational researchers posit that for competent employees, customer demands may provide the stimulus and motivation to seek solutions (Yeo & Marquardt, 2010) as it makes them question their skills and prompts them to explore new approaches through problem solving. While structured training can be used for skill development, encounters with demanding customers provide an avenue to deploy these skills for successful problem resolution while contributing to self-growth.

Demanding customers require greater effort in terms of a prolonged and complex response. But they also provide the firm with opportunities for acquiring the necessary knowledge for effective product innovation (Li & Calantone, 1998) and for offering exceptional service quality (Siehl, 1992) which can provide a competitive advantage. This study also demonstrates that demanding customers can be beneficial to salespeople since they can make their job interesting and meaningful.

These findings have important implications for sales managers. For instance, <u>Siehl (1992)</u> posits that the "natural inclination" of service employees is to distance themselves from demanding customers. Training that communicates the benefits of serving demanding customers and provides effective ways for interacting with them will likely help salespeople overcome this tendency. Training could also emphasize the importance of an empathetic service attitude (<u>Siehl</u>, <u>1992</u>) and the benefits of expressing positive emotions (<u>Rafaeli & Sutton</u>, <u>1990</u>), since the process of problem resolution may be just as important as the actions taken to resolve the customer's issue.

Salesperson ethics are critical for sustaining mutually advantageous long term relationships with customers (Evans et al., 2012). Findings indicate that the existence of ethical guidelines is also beneficial to salesperson well-being because it helps them preserve their personal values and makes the job meaningful. As one survey participant stated, job attractiveness comes from "knowing that I am representing a company that carries the same philosophies that I want to live by. Faith first, family second and career third and trulyliving by the Golden Rule!" Communicating a firm's adherence to ethical guidelines can provide salespeople with a convenient and disarming avenue to deny questionable requests from customers, peers or supervisors.

Study findings indicate that the effect of customer demandingness on felt stress is moderated by JI. The demandingness-stress relationship is not significant at lower levels of JI but becomes negative and significant at high levels of JI. Salespeople who are involved with their job feel less stress when dealing with demanding customers. We feel that this finding has important implications to the literature on challenge stressors as it demonstrates that positive stress can result in lower strain in conditions of high JI. This finding also emphasizes the importance of providing salespeople with appropriate tools to deal with customer problems.

Our study did not find a direct impact of ethical climate on felt stress. However, ethical climate had a significant positive impact on experienced meaningfulness which leads to lower felt stress. Ethical climate's effect on felt stress is indirect and operates primarily through experienced meaningfulness. Ethical climate reduces stress by creating perceptions that the job is meaningful. The relationship between ethical climate and experienced meaningfulness is also evidenced by salesperson responses to an open ended question asking about job characteristics they considered attractive. In several cases, salespeople directly tied perceptions of ethics to experienced meaningfulness, for example "Always remembering the golden rule has helped me and my family, grow internally and closer in our religion." Job meaningfulness is central to the firm because it is directly related to job performance and turnover intentions.

Managers can influence perceptions of job meaningfulness by seeking salespersons' inputs in designing the job, allocation of territories, and in developing products and services (<u>Sue-Chan & Ong, 2002</u>). Managers can continually challenge salespeople to do their best by aligning salespeople with key customer segments. Providing salespeople with job challenges is critical since successful accomplishment of job tasks contributes to salesperson's self-worth and self-confidence (<u>Pink, 2011</u>).

#### 4.1. Limitations and future research

This study has several limitations. First, we used responses from direct selling salespeople. Bringing meaning to the job may be particularly important in direct selling or in virtual sales settings where managers have less contact with salespeople. We call for research in other sales settings such as in-store retail and business-to-business selling environments to evaluate the robustness of our findings. Future research may also investigate if gender affects the model relationships.

Second, due to limitations of questionnaire length, our model left out other constructs that may mediate or moderate the impact of experienced meaningfulness. We believe that salesperson's experienced meaningfulness could be related to other critical constructs such as self-efficacy, organizational commitment, or extra role performance. In addition, individual ethical values from the salesperson could also affect ethical climate's influences on organizational variables. For instance, do individual ethical values moderate the effect of ethical climate on experienced meaningfulness? We speculate that this relationship is stronger when the salesperson is ethical and weaker/negative when the salesperson is unethical.

Finally, the customer demandingness measure does not distinguish between realistic and unrealistic customer expectations. At times, customer demands may be trivial or unrealistic. We suspect that the nature of customer demands (realistic/unrealistic) may moderate the influence of customer demandingness on experienced meaningfulness and felt stress. In addition, the direction aspect of effort (called planning or working smart) is likely to be critical for salesperson's decisions about meeting or not meeting customer demands. Working smart could help salespeople cope with customer demands and bring greater meaning to their jobs. Future research is needed to address salesperson's options in face of increasing demands.

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# Appendix A.

Ethical climate—Golden Rule (1 = strongly disagree; 7 = strongly agree)	Standardized coefficients
The founder of the business follows the "Golden Rule" which provides cues about acceptable ethical behaviors.	
The "Golden Rule" gives guidance about acceptable ethical behaviors.	0.81
Ethical climate—Socialization (1 = strongly disagree; 7 = strongly agree)	
I learn about acceptable ethical behaviors from other Sales Directors.	0.71
I learn about acceptable ethical behaviors from corporate employees	0.65
Customer demandingness (1 = strongly disagree; 7 = strongly agree)	
The customers I serve are demanding in regard to product/service quality and reliability.	0.72
My customers have high expectations for service and support.	0.80
My customers require a perfect fit between their needs and my product/service offering.	0.79
My customers expect me to deliver the highest levels of product and service quality.	0.72
Experienced meaningfulness (1 = strongly disagree; 7 = strongly agree)	
<i>My business lets me have the chance to be someone.</i>	0.50
My business gives me a feeling of accomplishment.	0.80
My business lets me make full use of my abilities.	0.80
My business allows me to have control over my life.	0.68
My business is exciting and challenging.	0.83
My business allows me to grow and develop as a person.	0.76
Felt stress (1 = strongly disagree; 7 = strongly agree)	
I feel fidgety or nervous because of my business.	0.80
Problems associated with my business have kept me awake at night.	0.73
If I were not an Independent Sales Director, my health would probably improve.	0.52
Job performance (1 = needs improvement; 7 = outstanding)	
Promoting sales of new products.	0.63
Exceeding personal sales targets.	0.81
Generating a high dollar volume.	0.72
Promoting the full product line.	0.60
Prioritizing my business activities	0.42
Job involvement (1 = needs improvement; 7 = outstanding)	
I feel the most important things that happen to me involve my Mary Kay business.	0.83
I feel the major satisfaction in life comes from my Mary Kay business.	0.88
I am very much involved personally in my Mary Kay business.	0.45

Note: Items in italics were deleted.