

# Learned Helplessness Among Newly Hired Salespeople and the Influence of Leadership

This article investigates the sales force socialization process, wherein newly hired salespeople often face failure-prone environments. Drawing from the learned helplessness paradigm, the authors hypothesize that cumulative periods of sales performance failure are associated with sales-oriented behavior intentions. In addition, the authors examine the influence of leadership, expecting core transformational leadership to have a diminishing effect as unmet sales goals accumulate. Study 1 finds support for these hypotheses using panel survey data from 221 new hires during six months of a furniture retailer's sales force socialization process. Then, aiming to uncover the underlying mechanism driving salesperson helplessness and a managerial approach that has a sustained impact, the authors conduct Study 2, a scenario-based experiment focused on the business-to-business insurance industry. The authors find that perceived task difficulty mediates the focal relationship and that error management enables core transformational leadership to have a lasting effect such that new hires have the lowest sales-oriented behavior intentions when transformational sales managers encourage them to make errors during their interactions with customers and to actively learn from their failures.

**Keywords:** core transformational leadership, error management, sales force socialization, sales-oriented behaviors, sales performance failure

The sales profession is rife with failure-prone occupations. As a case in point, evidence from a recent industry survey suggests that approximately 50% of salespeople fail to reach their annual targets (Ahearne et al. 2012, p. 39). Yet annual quotas are just one milestone salespeople aspire to attain. "Making the numbers" is also an hourly, daily, weekly, monthly, and quarterly goal for salespeople. For example, a well-known study by Camerer et al. (1997) finds that daily income targets are salient in the minds of New York City cab drivers. The present research defines sales performance failure as the lack of achieving these self-defined sales goals and contributes to the extant sales literature in three related ways.

First, we investigate the relationship between cumulative periods of sales performance failure and salespeople's intentions to engage in sales-oriented behaviors. Previous research has studied various forms of behavioral responses to salesperson failure (e.g., Dixon and Schertzer 2005; Dixon, Spiro, and Forbes 2003; Dixon, Spiro, and Jamil 2001); however, to the best of our knowledge, no prior failure research has studied the disingenuous behavioral intentions we examine herein. The sales-oriented behaviors we study can be defined as customer-directed influence attempts that are indifferent to customers' unique needs and intended to spur immediate sales (Saxe and Weitz 1982). We believe these behaviors are critical to inspect because they undoubtedly contribute to the dismal reputation of the sales profession (see, e.g., Gallup 2012).

Second, we place the sales force socialization process under the microscope, a research area that remains scant despite Dubinsky et al.'s (1986) foundational article. Newly hired salespeople learn the "values, abilities, expected behaviors, and social knowledge" (Louis 1980, pp. 229–30) needed to succeed in a given sales organization during their initial months on the job. We draw from the learned helplessness paradigm (Seligman 1975) to theorize why newly hired salespeople's intentions to engage in sales-oriented behaviors tend to heighten as periods of sales performance failure accumulate during their early months. In this sense, we find that new hires tend to attribute late stages of sales performance failure to a selling task's difficulty, which represents a stable failure attribution and a feeling of helplessness.

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Jeffrey P. Boichuk is a doctoral student (e-mail: jdboichuk@uh.edu), and Michael Ahearne is C.T. Bauer Professor of Marketing and Executive Director, Sales Excellence Institute (e-mail: mahearne@uh.edu), C.T. Bauer College of Business, University of Houston. Willy Bolander is Assistant Professor of Marketing (e-mail: wbolander@fsu.edu), and Melissa Nieves is a doctoral student (e-mail: mn10d@admin.fsu.edu), College of Business, Florida State University. Zachary R. Hall is Assistant Professor, Neeley School of Business, Texas Christian University (e-mail: z.hall@tcu.edu). William J. Zahn is Assistant Professor of Marketing, School of Management and Business, St. Edward's University (e-mail: billzahn@stedwards.edu). The first five authors contributed equally to this article. The authors acknowledge the Sales Excellence Institute at the University of Houston for providing financial support for this research. This article benefited greatly from the insightful guidance of three anonymous *JM* reviewers, and the authors thank them for their devoted service. Christian Homburg served as area editor for this article.

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ness (Heider 1958; Martinko and Gardner 1982). This stable failure attribution increases new hires' intentions to adopt a sales-oriented approach with customers. Thus, understanding how sales-oriented behaviors can be reduced in light of cumulative periods of sales performance failure is an integral pursuit for the field of personal selling and sales management.

Third, the two studies in this article embark on this pursuit by testing the efficacy of managerial actions during early and late stages of sales performance failure. We find that core transformational leadership (i.e., articulating a vision, leading by example, and fostering the acceptance of group goals) reduces newly hired salespeople's intentions to engage in sales-oriented behaviors during early stages of sales performance failure but that its efficacy diminishes as periods of failure accumulate. That is, core transformational leadership "involves fundamentally changing the values, goals, and aspirations of followers" (MacKenzie, Podsakoff, and Rich 2001, p. 116), which our results suggest is more achievable when a new hire has encountered initial (as opposed to multiple) periods of sales performance failure. In turn, we aimed to understand whether sales-oriented behaviors could be reduced after multiple periods of failure by studying error management (Keith and Frese 2008). This pursuit led us to find that sales managers who encourage new hires to make (rather than to avoid) errors during their interactions with customers are able to curb sales-oriented behaviors during late-stage sales performance failure. Furthermore, we find that pairing core transformational leadership with positive error framing restores its efficacy. These insights enable us to offer sales managers who oversee failure-prone environments a recommended approach during the sales force socialization process.

We detail the components of this recommended approach in the "General Discussion" section. First, however, we provide an overview of the theory of learned helplessness and develop our hypotheses (for a graphical depiction of our conceptual framework, see Figure 1). Then, we outline our two studies and report their results. We conclude with a discussion of these studies' limitations and offer sug-

gestions for further research in the area of sales performance failure.

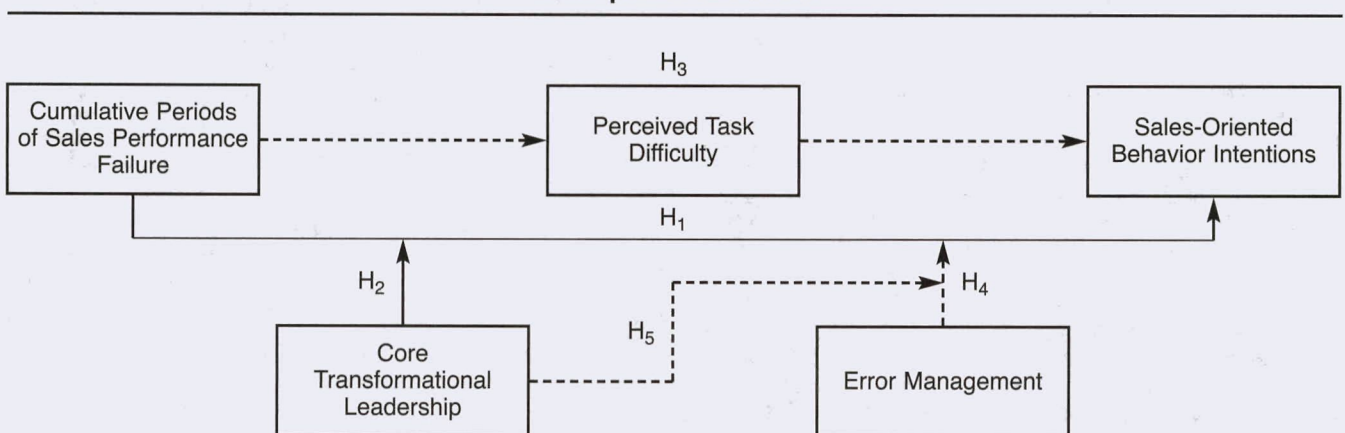
## Theoretical Background and Hypothesis Development

### Learned Helplessness

The theory of learned helplessness is particularly relevant to sales research because failure is a large part of the sales profession (Schulman 1999; Sujan 1999). Two of its central tenets are (1) that pessimism potentiates acts of helplessness and (2) that repetitive, seemingly uncontrollable failure leads people to behave helplessly (Abramson, Seligman, and Teasdale 1978; Seligman 1975). Seligman and Schulman (1986) investigate the former tenet in the context of insurance sales and find that pessimistic agents quit at twice the rate of optimistic agents within their first year on the job. In addition, compared with the optimistic agents in their study, pessimistic agents sold 37% less insurance in their first two years. Notably, other research has also found pessimism to be negatively related to sales performance (e.g., Anderson 1983; Schulman 1999), in support of the first tenet.

With this body of research established, we aim to examine the second tenet of learned helplessness, proposing that newly hired salespeople are likely to behave helplessly as periods of sales performance failure accumulate. In this effort, we recognize that the literature stream has traditionally conceptualized acts of helplessness in the sales profession as avoidance behaviors. For example, prior research has suggested that salespeople who feel helpless tend to avoid interacting with customers altogether by way of quitting or finding "other work to do around the office besides cold calling" (Schulman 1999, p. 33). Then, if quitting is not an option (e.g., in a bad economy) and if customers cannot be avoided easily (e.g., in retail settings), salespeople are thought to behave helplessly by way of exhibiting little or no persistence during their interactions with customers

**FIGURE 1**  
**Conceptual Framework**



Notes: Study 1 does not investigate H<sub>3-5</sub> (depicted with dashed lines). Study 2 examines the entire spectrum of this conceptual framework (i.e., H<sub>1-5</sub>).



(e.g., by acquiescing to customers' objections or by avoiding trial closes; Seligman and Schulman 1986, p. 832).

We contend that salespeople also behave helplessly during their interactions with customers by way of engaging in sales-oriented behaviors, which, unlike the avoidance behaviors studied to date, aim to make a sale. Why might salespeople engage in sales-oriented behaviors at all if they perceive their selling task to be uncontrollable? First, "the vast majority of sales force incentives ... are tied to short-term, individual, results-focused metrics" (Zoltners, Sinha, and Lorimer 2011). That is, salespeople are incentivized not only to interact with customers but also to persuade them to buy. As the saying goes, salespeople do not eat unless they sell. Second, whether it be (1) suggesting popular products to customers rather than uncovering their unique needs through questioning techniques, (2) recommending expensive products to customers by default solely to increase the size of their bills, or (3) telling customers what they want to hear to close a sale, sales-oriented behaviors represent low-effort attempts to increase immediate sales performance (Saxe and Weitz 1982). As such, these low-effort sales behaviors represent a preliminary form of avoidance behavior, which falls in line with the traditional conceptualization of learned helplessness (Seligman 1975).

Furthermore, sales-oriented selling falls within the realm of learned helplessness because it can be classified as a low response initiation (Seligman 1975). Compared with customer-oriented selling (the other approach in Saxe and Weitz's [1982] selling orientation–customer orientation scale), sales-oriented selling is far less effortful because it does not involve the collection of customer need knowledge (Homburg, Wieseke, and Bornemann 2009). To this end, sales-oriented selling is also passive and maladaptive, the two adjectives Martinko and Gardner (1982) use to define learned helplessness in organizations. It is passive insofar as sales-oriented behaviors do not involve the collection of customer need knowledge and maladaptive insofar as this lack of knowledge prevents salespeople from offering tailored solutions to meet customers' unique needs. Next, we develop our first two hypotheses and test them in a longitudinal field study that spans six months of a sales force's socialization process.

### ***The Effect of Cumulative Periods of Sales Performance Failure on Newly Hired Salespeople's Sales-Oriented Behavior Intentions***

In the original experiments that developed the concept of learned helplessness (e.g., Overmier and Seligman 1967), dogs were immobilized, repeatedly shocked by small doses of electricity, and observed in a subsequent situation in which they were shocked but left free to escape. In one such experiment, when the dogs remained inert (despite being unrestrained), Overmier and Seligman (1967) inferred that learned helplessness had interfered with their instinctive escape responses. In sales, an analogous inference could be made if multiple periods of sales performance failure influenced newly hired salespeople to use product-focused pitches aimed at stimulating immediate demand. These sales pitches do not actively uncover customers' idiosyn-

crasies, nor do they tailor solutions to fit customers' unique needs, thus violating the fundamental principles of the marketing concept and representing a form of salesperson helplessness. Much like the inert dogs in Overmier and Seligman's (1967) experiment, these salespeople demonstrate a low response initiation that is both passive and maladaptive.

Therefore, following the learned helplessness paradigm (Seligman 1975), we expect cumulative periods of sales performance failure to have a debilitating effect on newly hired salespeople, and we hypothesize that these missed sales goals will increase their intentions to engage in sales-oriented behaviors. Formally:

H<sub>1</sub>: There is a positive relationship between cumulative periods of sales performance failure and newly hired salespeople's sales-oriented behavior intentions.

### ***The Moderating Role of Core Transformational Leadership***

As we mentioned in our introduction, we also aim to test the efficacy of managerial actions during early and late stages of sales performance failure. Research has shown that sales-oriented behaviors lower customers' trust in salespeople (e.g., Hansen and Riggall 2009) and have undoubtedly contributed to the sales profession's poor reputation (Gallup 2012). Accordingly, it is of utmost importance to understand how sales managers can ameliorate the relationship between cumulative periods of sales performance failure and newly hired salespeople's intentions to engage in sales-oriented behaviors. In this pursuit, we decided to examine the efficacy of core transformational leadership because of its relevance to the sales profession and its prominence in the sales literature (e.g., MacKenzie, Podsakoff, and Rich 2001; Schwenker and Good 2010).

Podsakoff et al. (1990) outline that core transformational leadership embodies a set of managerial actions to (1) articulate a vision, (2) lead by example, and (3) foster the acceptance of group goals. For the purposes of our investigation, the first action provides new hires with a clear road map, the second shows them how to sell, and the third creates a team atmosphere in which individual salespeople should not be left behind. This set of actions aims to guide new hires through the sales force socialization process in a learning environment filled with success. That is, articulating a vision provides the direction, leading by example provides the model of desired behavior, and fostering the acceptance of group goals pushes for the entire team to succeed rather than "just a handful of hotshots" (Pacetta 1994, p. 57). In this guided learning environment, we expect new hires to be more likely to pursue customer satisfaction concurrently with their sales goals when they are successful or experiencing early-stage sales performance failure because they have the direction, mental model, and support needed to do so.

However, the problem with this style of leadership in failure-prone environments is that it loses its credibility when periods of failure accumulate. After multiple periods of sales performance failure, newly hired salespeople who are exposed to core transformational leadership are likely to think that failure should have already given way to success,



rendering its provision ineffective. In other words, this leadership style is more likely to be efficacious when newly hired salespeople have experienced few (as opposed to many) periods of sales performance failure. Thus, we expect core transformational leadership to curb newly hired salespeople's sales-oriented behavior intentions during early-stage (but not late-stage) sales performance failure. In summary, we predict the following:

- H<sub>2</sub>: Core transformational leadership moderates the relationship between cumulative periods of sales performance failure and newly hired salespeople's sales-oriented behavior intentions in such a way that its effect diminishes as cumulative periods of sales performance failure increase.

## Study 1

To test H<sub>1</sub> and H<sub>2</sub>, we collected panel data from a cohort of salespeople hired by a furniture retailer in the southern United States. The company hired these salespeople to sell mattresses to consumers in large box stores, and as is typical in sales, their pay is based on salary and commissions (Ahearne et al. 2012). This research setting was ideal for our study in four important ways. First, the retailer expanded its sales force considerably at the time our data were collected, which enabled us to study a sampling frame of 537 newly hired salespeople. Second, these salespeople were likely to experience sales performance failure in the competitive retail furniture industry, a necessary condition for the study of salesperson helplessness. Third, the company's sales force is dispersed across multiple locations, ensuring that the newly hired salespeople in our sample would be exposed to sales managers with varying leadership styles. Fourth, the company's stores have sufficient lapses in activity, which gave the new hires downtime to complete our recurrent surveys.

We studied this incoming wave of salespeople throughout six months of the company's sales force socialization process. Every two weeks, we asked these newly hired salespeople whether they achieved or missed their sales goal during the previous two-week period, how their sales managers behaved, and how they intended to behave toward customers in the upcoming two-week period. We selected this two-week time interval because it was in line with the company's preexisting standard for new hires to set biweekly sales goals.

By the end of this six-month exercise, the salespeople in our sampling frame had been given 12 opportunities to fill out a survey. We used 12 biweekly drawings for \$50 American Express gift cards and two quarterly drawings for \$100 American Express gift cards to encourage responses. In addition, we secured the top management team's support to motivate strong participation rates. As a result of these efforts, we obtained responses from 221 salespeople (an effective response rate of 41%). On average, these salespeople completed between four and five surveys each, affording us 1,015 discrete-time observations in a time-unstructured, longitudinal data set. Of these data points, approximately 50% were characterized as "periods of failure," when sales performance goals were not met.

From a demographics standpoint, the salespeople in our final sample were, on average, approximately 29 years of age, and 56% of them were female. In addition, at the time they entered the participating organization, they had approximately six years of prior sales experience.

## Measures

*Cumulative periods of sales performance failure.* As mentioned previously, the participating organization requires its new hires to set biweekly sales goals. In each survey, we asked respondents to report their revenue goal for the past two weeks and to indicate whether they met or fell short of this goal. From this latter question, we coded a sales performance failure variable as 0 if a salesperson met his or her sales goal and as 1 if he or she fell short of it. Next, we computed a cumulative periods of sales performance failure variable by summing a given salesperson's sales performance failures across all previous time periods.

*Core transformational leadership.* Of interest to our model is the leadership style a salesperson's manager adopted during the previous two weeks. Accordingly, we adapted Podsakoff et al.'s (1990) widely used scale of core transformational leadership to our setting by basing each scale item on salespeople's exposure to their manager over the past two weeks. For a full list of the scale items used in Study 1, see Appendix A.

*Sales-oriented behavior intentions.* As a form of salesperson helplessness, we measured salespeople's intentions to engage in sales-oriented behaviors (Saxe and Weitz 1982). This measure focuses on salespeople's behavioral intentions for the upcoming two-week period. The items reflect sales-oriented behaviors insofar as the behaviors we capture aim to stimulate immediate demand without appealing to customers' idiosyncrasies, and they reflect acts of helplessness insofar as they are passive and maladaptive (Martinko and Gardner 1982).

*Covariate.* We entered prior sales experience into our model as a covariate to control for salesperson heterogeneity at the time new hires entered the participating company's sales force. In particular, the question "How many years of experience do you have as a salesperson?" was asked during the company's orientation and training course, which all newly hired salespeople attended. From previous research, we expected prior sales experience to affect new hires' susceptibility to and subsequent responses to sales performance failure (Dixon, Spiro, and Forbes 2003).

## Analytical Procedures

*Measurement model.* We assessed the factor structure and validity of the latent variables in our model (i.e., core transformational leadership and sales-oriented behavior intentions) through a confirmatory factor analysis (Gerbing and Anderson 1988). Representing core transformational leadership as a reflective higher-order factor of its three first-order factors and sales-oriented behavior intentions as a separate factor, our model demonstrated good fit to the data ( $\chi^2 = 724.7$ , d.f. = .86; goodness-of-fit index = .91, confirmatory fit index = .98, root mean square error of



approximation = .08). Furthermore, articulating a vision (.94), leading by example (.95), and fostering the acceptance of group goals (.97) estimated core transformational leadership as a second-order construct very well, providing empirical evidence for the aggregation of core transformational leadership's three first-order factors into a second-order construct (Brown 2006). As such, when we test our hypotheses in the next section, we enter core transformational leadership into our hypothesized model as a second-order construct, an approach consistent with extant literature (MacKenzie, Podsakoff, and Rich 2001; Podsakoff et al. 1990). In addition, the data pass Fornell and Larcker's (1981) tests, demonstrating that the measures we use for core transformational leadership and sales-oriented behavior intentions satisfy the necessary conditions for convergent and discriminant validity. Table 1 displays descriptive statistics, intercorrelations, and reliabilities and validity estimates (where applicable) for the variables used in Study 1.

**Common method variance.** Defined as artificial correlation among constructs due to the measurement method employed, common method variance (CMV) has the potential to bias results in survey-based research (Podsakoff et al. 2003). This concern is partially alleviated in our context because our independent variable, cumulative periods of sales performance failure, is longitudinal and concrete (Frazier et al. 2009). Furthermore, researchers have demonstrated that "interaction effects cannot be artifacts of CMV" (Siemens, Roth, and Oliveira 2010, p. 456), which protects our second hypothesis from contamination. Nevertheless, we still wanted to assess the potential bias of CMV in our research, so we followed a diagnostic technique developed by Lindell and Whitney (2001). These authors suggest that CMV can be conservatively estimated and accounted for using the observed correlation between two theoretically unrelated constructs: one from the hypothesized model and the other, a marker variable.

The marker variable we use is continuance commitment (i.e., perceived costs associated with leaving an organization; Meyer, Allen, and Smith 1993). We propose that this

form of commitment, which is governed largely by external factors (e.g., the economy, the employee's family situation), should be unrelated to the form of leadership a salesperson's manager adopts. Therefore, we included a three-item measure of this construct (adapted from Meyer, Allen, and Smith [1993]) in each biweekly survey and used its correlation with core transformational leadership as an estimate of method variance ( $r_m = .02$ ). We then entered this estimate into an equation that adjusted the correlations in Table 1 for CMV (for application details, see Lindell and Whitney 2001). Because the significant correlations in Table 1 remained significant after they were adjusted, this test provides empirical support for the argument that CMV does not inflate the relationships among the constructs in our model.

**Model specification.** The data in this study follow a two-level framework, in which our criterion, sales-oriented behavior intentions, and our predictor, cumulative periods of sales performance failure, represent intra-individual (i.e., time-varying), Level 1 variables. We also include sales manager core transformational leadership, though conceptually a Level 2 variable, in our Level 1 model because we measured it over time. The interindividual (i.e., time-invariant), Level 2 variable in our model is the salesperson's prior sales experience brought to the participating company, which we use as a control.

We analyzed these data using hierarchical multivariate linear modeling (Raudenbush and Bryk 2002), which is best suited for the time-unstructured data set we collected for this study (Cohen et al. 2002). Previous research has discussed similar analytical procedures in detail (e.g., Ahearne et al. 2010), so we describe ours only briefly here. Our Level 1 model is specified as follows:

$$(1) Y_{ti} = \pi_{0i} + \pi_{1i}(CF_{ti}) + \pi_{2i}(CTL_{ti}) + \pi_{3i}(CF_{ti} \times CTL_{ti}) + e_{ti},$$

where the dependent variable,  $Y_{ti}$ , is salesperson  $i$ 's sales-oriented behavior intentions at time  $t$ . This value is determined by this salesperson's cumulative periods of sales performance failure ( $CF_{ti}$ ), his or her sales manager's core

**TABLE 1**  
Intercorrelations, Descriptive Statistics, Reliabilities, and Validity Estimates for Study 1

Variables	1	2	3	4
1. Prior sales experience <sup>a</sup>				
2. Cumulative periods of sales performance failure <sup>b</sup>	.09*			
3. Core transformational leadership <sup>b</sup>	-.09*	-.09*		
4. Sales-oriented behavior intentions <sup>b</sup>	-.04	-.01	-.13*	
<b>Descriptive Statistics</b>				
M	6.28	2.14	5.87	2.81
SD	7.46	2.17	1.36	1.61
<b>Reliability and Validity Estimates</b>				
Cronbach's alpha	—	—	.98	.83
Composite reliabilities	—	—	.97	.83
Average variance extracted values	—	—	.91	.62

\* $p < .05$ .

<sup>a</sup> $n = 221$  (salespeople; Level 2).

<sup>b</sup> $n = 1,015$  (discrete-time observations; Level 1).

Notes: We calculated cross-level correlations by assigning salespeople's prior sales experience to each of their discrete-time observations and did not adjust them for lack of independence. Reliability and validity estimates do not apply to manifest variables (prior sales experience), nor do they apply to count data (cumulative periods of sales performance failure).



transformational leadership (CTL<sub>ti</sub>), and the interaction between these two terms. Furthermore, our Level 2 equations are specified as follows:

$$(2) \quad \pi_{0i} = \beta_{00} + \beta_{01}(\text{EXP}_i) + r_{0i},$$

$$\pi_{1i} = \beta_{10} + r_{1i},$$

$$\pi_{2i} = \beta_{20} + r_{2i}, \text{ and}$$

$$\pi_{3i} = \beta_{30} + r_{3i},$$

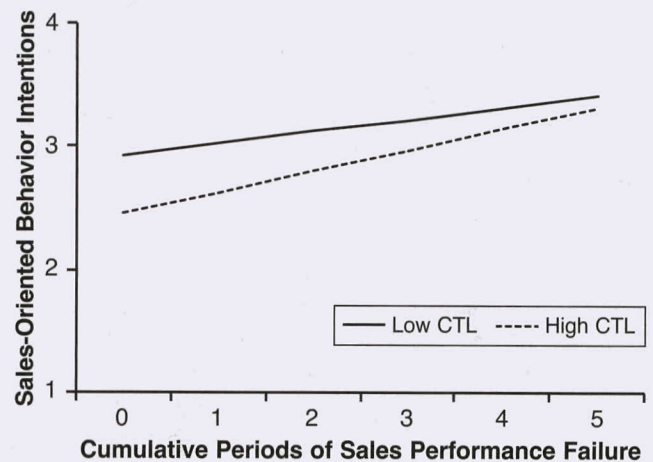
where the intercept in our Level 1 model is predicted by salesperson *i*'s sales experience (EXP<sub>*i*</sub>). The Level 2 equations for  $\pi_{1i}$ ,  $\pi_{2i}$ , and  $\pi_{3i}$  simply allow the effects at Level 1 to vary between salespeople.

### Hypothesis Testing

We present our estimation results in Table 2. Reading from Model 1, we found the control variable prior sales experience to account for significant variance in salespeople's sales-oriented behavior intentions ( $\beta = -.029$ ,  $p < .001$ ). That is, the more experienced a salesperson was coming into the position, the less he or she intended to behave in a sales-oriented manner with customers over the course of the company's sales force socialization process. Staying within this column, the results suggest that cumulative periods of unmet sales performance goals were associated with increased levels of sales-oriented behavior intentions ( $\beta = .120$ ,  $p < .001$ ), in support of H<sub>1</sub>.

In Model 2, the estimates suggest that the initial effect of core transformational leadership is negative ( $\beta = -.233$ ,  $p < .001$ ) and that the interaction effect between cumulative periods of sales performance failure and core transformational leadership is positive ( $\beta = .037$ ,  $p < .001$ ), both of which support H<sub>2</sub>. Here, we expected core transformational leadership initially to reduce the extent to which sales performance failure was associated with sales-oriented behavior intentions but for this effect to diminish as periods of sales performance failure accumulated. We examined whether this expected effect was present in the data by plotting the interaction at high (one standard deviation above the mean) and low (one standard deviation below the mean) levels of core transformational leadership (Figure 2).

**FIGURE 2**  
**Study 1 Results: Moderating Effect of Core Transformational Leadership**



Notes: CTL = core transformational leadership. The numbers 0 and 5 bound the x-axis because 90% of the data fall within this range.

Indeed, the hypothesized relationship is apparent in the figure, providing further support for H<sub>2</sub>.

### Discussion

Our goals in Study 1 were twofold: (1) to examine whether cumulative periods of sales performance failure are associated with increased levels of sales-oriented behavior intentions and (2) to understand the role of core transformational leadership in this process. In assessing the results, we believe that sales managers can initially alleviate the deleterious effect that unmet sales goals have on newly hired salespeople's sales-oriented behavior intentions by articulating a vision, leading by example, and fostering the acceptance of group goals. However, the efficacy of this leadership style seems to be fleeting when instances of sales performance failure accumulate. Therefore, two additional questions require research attention: (1) What underlying mechanism governs salesperson learned helplessness? and (2) How can sales managers curb sales-oriented behavior intentions during the latter stages of sales performance failure?

**TABLE 2**  
**Hierarchical Multivariate Linear Modeling Estimation Results for Study 1**

	Model 1 $\beta$ (SE)	Model 2 $\beta$ (SE)
Intercept	2.588* (.09000)	2.588* (.00100)
Sales experience	-.029* (.00733)	-.017* (.00004)
Cumulative periods of sales performance failure	.120* (.01401)	.134* (.00010)
Core transformational leadership		-.233* (.00020)
Cumulative periods of sales performance failure × core transformational leadership		.037* (.00005)
-2 Log-likelihood	2,983.31	2,879.69
$\Delta$ Chi-square	12.28 (1)*	103.62 (1)*

\* $p < .001$ .

Notes: Dependent variable = sales-oriented behavior intentions. The change in chi-square calculations for Models 1 and 2 compare their respective fits with those of unreported models that include all of their coefficients except the ones of interest (i.e., cumulative periods of sales performance failure for Model 1 and cumulative periods of sales performance failure × core transformational leadership for Model 2).



To address these questions, we explore newly hired salespeople's failure attributions and sales managers' error-framing practices on the basis of theoretical grounds derived from the learned helplessness paradigm (Seligman 1975). The next section builds three additional hypotheses toward this end, and the subsequent section describes a scenario-based experiment we designed to test the resulting conceptual framework (see Figure 1).

## Hypothesis Development Revisited

### *The Mediating Role of Perceived Task Difficulty*

Attributional styles have long been considered central to the theory of learned helplessness (Abramson, Seligman, and Teasdale 1978; Seligman and Schulman 1986) and have been deemed promising in the study of salesperson behavior (Sujan 1986). Among them are controllability, globality, internality, and stability, although the latter is believed to be the dimension most aligned with the learned helplessness paradigm (Sujan 1999). According to Heider's (1958) original schema, stability represents the degree to which a cause is believed to be recurrent or long-lived over time, and perceived task difficulty is a stable cause of failure. In turn, perceived task difficulty in our setting represents the degree to which sales performance failure is believed to be recurrent or long-lived over time because of stable situational deficiencies (e.g., a low-traffic store location, an unresponsive customer base).

We adopt this framework and hypothesize that newly hired salespeople are likely to succumb to feelings of defeatism after they encounter multiple instances of missed sales goals. That is, as periods of sales performance failure accumulate, we expect newly hired salespeople to attribute their historically poor results in their new role to the perceived difficulty of the task at hand. For example, after one or two failed attempts to meet their sales goals, it is unlikely that the newly hired salespeople in our field study believed that the task of selling mattresses was unattainable in their particular store locations or during their particular shifts. However, as instances of sales performance failure accumulated, they likely felt increasingly disadvantaged with regard to their selling situation (e.g., store location, customer base). We expect this stable failure attribution to increase newly hired salespeople's sales-oriented behavior intentions. According to learned helplessness, the more new hires perceive sales goals to be destined for failure because of circumstance, the more likely they are to behave helplessly (Sujan 1999). From this logic, we arrive at the following mediation hypothesis:

H<sub>3</sub>: Perceived task difficulty mediates the relationship between cumulative periods of sales performance failure and newly hired salespeople's sales-oriented behavior intentions.

### *The Moderating Role of Error Management*

Thus far, we have focused on the moderating role of core transformational leadership and explicated its limitations in failure-prone environments. Next, we propose that encouraging new hires to make errors during their interactions

with customers overcomes these limitations. A form of leadership that captures this notion is error management, which involves the explicit encouragement of errors because of the feedback they provide novices (Keith and Frese 2008). Whereas sales forces are typically known for their short-term orientation (Homburg and Jensen 2007), error management deemphasizes short-term performance in favor of active learning (Bell and Kozlowski 2008).

This atypical focus can be contrasted with leadership styles that promote a "guided and error-free learning environment" (Keith and Frese 2008, p. 59). For example, it can be argued that articulating a vision, leading by example, and fostering the acceptance of group goals are intended to help followers avoid errors by way of providing the direction, desired model, and coworker support needed to succeed. As we alluded to previously, the problem with these styles of leadership is that errors tend to be "associated with stress, frustration, and increased perceptions of learned helplessness" (Gully et al. 2002, p. 143) when they occur.

In response, an impressive body of recent research supports the efficacy of error management (Keith and Frese 2008). In these studies, error management is defined as a training method that provides minimal guidance, deemphasizes short-term performance, promotes exploratory behavior, and frames errors as natural by-products of exploration that are instrumental to learning and, ultimately, encouraged (Bell and Kozlowski 2008). In addition, a relevant finding in this literature is that framing errors positively increases learner-controlled practice difficulty (Hughes et al. 2013).

Linking this finding to our research, we expect newly hired salespeople to be more likely to actively attempt to satisfy customers' needs when errors are encouraged. This selling approach is more difficult to apply than one that relies on quick, suggestive sales, but we believe it will be adopted more frequently in response to error management because short-term performance is deemphasized when errors are encouraged. Essentially, error management reduces the shock associated with sales performance failure (drawing reference to Overmier and Seligman's [1967] original experiments with dogs). In contrast, when errors are discouraged, sales managers convey that sales goals should be reached and that errors should be avoided, which creates a setting that is conducive to learned helplessness. Therefore, we expect the salesperson learned helplessness process to begin when errors are discouraged (but not when errors are encouraged), which leads to the following hypothesis:

H<sub>4</sub>: Error management moderates the relationship between cumulative periods of sales performance failure and newly hired salespeople's sales-oriented behavior intentions in such a way that its effect strengthens as cumulative periods of sales performance failure increase.

### *The Moderating Roles of Core Transformational Leadership and Error Management*

Thus far, we have conceptualized core transformational leadership as a leadership style designed to help newly hired salespeople avoid errors and error management as a leadership style that advocates the beneficial role errors



play in learning. The former suggests that novices should be “spared the costs and pain of faulty effort” (Bandura 1986, p. 47), whereas the latter holds that “errors have an informative function for the learner” (Keith and Frese 2008, p. 59). Next, we hypothesize that these leadership styles complement each other when applied in unison such that core transformational leadership’s efficacy should be restored during late-stage sales performance failure when it is applied in environments that encourage errors.

Ultimately, core transformational leadership is likely to complement error management because it provides direction, demonstration, and support, facets that error management lacks (Bell and Kozlowski 2008). Furthermore, because error management effectively alleviates new hires’ concerns about their short-term performance, it creates an environment in which they can use this guidance as a resource. Therefore, this guidance is likely to help newly hired salespeople use exploratory behaviors during their interactions with customers when instances of sales performance failure have accumulated. In turn, it should further thwart the salesperson learned helplessness process. Formally:

H<sub>5</sub>: During late-stage sales performance failure, core transformational leadership has a reducing effect on newly hired salespeople’s sales-oriented behavior intentions when errors are encouraged.

## Study 2

As a test of our entire conceptual framework (see Figure 1), we conducted an experiment with participants from Amazon.com’s online labor system Mechanical Turk (Goodman, Cryder, and Cheema 2012). This experiment represents a 2 (sales performance failure: early-stage vs. late-stage)  $\times$  2 (core transformational leadership: low vs. high)  $\times$  3 (error management: avoid vs. encourage vs. control) between-subjects factorial design with random assignment. The context we chose to investigate for this test is business-to-business insurance sales. Importantly, this setting is distinct from the retail furniture industry and outside the realm of business-to-consumer sales, which was the testing ground for Study 1.

For this experiment, we aimed to recruit 720 participants (60 observations per cell) with \$1 inducements. After speaking with a sales director in the insurance industry, we discovered that insurance companies often target people who are currently employed in full-time, nonsales positions as new hires. Many of these people, despite being well qualified, are burned out in their current positions and interested in the variable component of pay in insurance sales. Accordingly, because these professionals are of practical interest to the industry, we limited participation in our study to clerical staff, factory workers, teachers, and so on. Using this screening criterion, we were able to collect 635 usable responses.

### **Experimental Materials and Measures**

Our Mechanical Turk description stated that faculty members in the business schools of two U.S. public universities were conducting research on behalf of an insurance company. The objective of the market research was ostensibly to understand how new insurance agents are likely to

behave during the company’s launch into the North American market. Furthermore, we stated that although we disguised the name of the company in the survey to avoid contaminating the results, the information provided is factual. We took these measures to increase the mundane, experimental, and psychological realism of the scenario (Wilson, Aronson, and Carlsmith 2010). Albeit imperfect, we are confident in the external validity of our experimental design, and we believe the realism of our scenario is comparable to that of related applications in the marketing literature (e.g., Ganesan et al. 2010).

For the purposes of our experiment, participants were asked to imagine that they made the decision to join the focal insurance company’s sales force on a full-time basis and that their initial goal was to make at least as much money per month in their new position as they currently make in their nonsales position. Subsequently, they were shown four passages related to their new employment situation in sequence (see Appendix B). Whereas the first passage exposed all participants to the same general description of the insurance company, the second passage exposed participants to either a low or a high version of a core transformational leadership script. We developed this script drawing largely from the practical examples of core transformational leadership highlighted in MacKenzie, Podsakoff, and Rich (2001, p. 130).

In the third passage, participants received hypothetical sales performance feedback for a certain number of months. That is, they were exposed to either early- or late-stage sales performance failure. To remain consistent with our field study, we defined these stages as one period and five periods of sales performance failure, respectively. Then, in both cases, participants were asked to indicate the degree to which they attributed their failure to perceived task difficulty with a three-item measure adapted from Dixon, Spiro, and Jamil (2001). For a full list of the scale items used in Study 2, see Appendix C.

In the fourth passage, participants were offered advice from their sales manager before they proceeded to sell in the upcoming month. The content of this advice amounted to the error management manipulation, which we adapted from Hughes et al. (2013). Therein, we positioned the process of making errors during customer interactions as being negative (error avoidance condition), positive (error encouragement condition), or neutral (control condition). Finally, following this fourth passage, participants were asked to indicate their likelihood of engaging in sales-oriented behaviors during their next month on the job. Note that we crafted the company description in the first passage to include a popular product (dental insurance); with this inclusion, we could directly adapt our measurement items from Study 1 to this experimental setting.

Our manipulation checks indicate that we successfully manipulated low and high core transformational leadership, early- and late-stage sales performance failure, and error avoidance and error encouragement (for details related to these tests, see Appendix D). In addition, from the results of a post hoc check, we are confident that participants deemed our experiment realistic ( $M = 5.47$  out of 7 for the question



"How realistic was the situation described in the four passages at the beginning of this survey?"). These participants were predominantly female (57%) and were 33 years of age on average. In line with the scenario depicted in the experiment, we limited participation to U.S. residents. The most frequent employment categories these participants identified themselves as coming from were teaching (28%), manufacturing (16%), and information technology (7%).

### Analytical Procedures

**Measurement model.** Identical to our approach in Study 1, we assessed the factor structure and validity of the latent variables measured in this experiment (i.e., perceived task difficulty and sales-oriented behavior intentions) through a confirmatory factor analysis (Gerbing and Anderson 1988). Here, the constructs were represented as separate, reflective factors of their respective scale items. The resulting model demonstrated excellent fit to the data ( $\chi^2 = 4.5$ , d.f. = 8; goodness-of-fit index = 1.00, confirmatory fit index = 1.00, root mean square error of approximation = .00). The data also passed Fornell and Larcker's (1981) tests, demonstrating convergent and discriminant validity. Table 3 displays descriptive statistics, intercorrelations, and reliabilities and validity estimates (where applicable) for the variables used in Study 2.

**Methodological approach.** To analyze this experiment's data and to test our conceptual framework (Figure 1), we estimated an indirect effects model with bootstrapping methods (Hayes 2013; Zhao, Lynch, and Chen 2010). Operationally, we followed a stepwise, hierarchical linear regression approach for hypothesis testing. We report our results for Study 2 in Table 4 and present unstandardized path coefficients for Models 1–5, with each model testing a separate hypothesis.

### Hypothesis Testing

The first two models of Table 4 report results that are substantively similar to those found in Study 1. Specifically, in support of H<sub>1</sub>, participants in the late-stage sales performance failure conditions exhibited greater levels of sales-

oriented behavior intentions than those in the early-stage conditions (Model 1:  $\beta = .425$ ,  $p < .001$ ). Furthermore, the interaction effect of sales performance failure and core transformational leadership is significant and positive (Model 2:  $\beta = .617$ ,  $p < .01$ ), in support of H<sub>2</sub> (for a graphical depiction of this hypothesis, see Figure 3, Panel A). Taken together, these results reaffirm that more instances of sales performance failure are associated with heightened intentions to engage in sales-oriented behaviors and that core transformational leadership alleviates this effect to a certain degree during early stages (but not during late stages) of sales performance failure.

In Model 3, we expected perceived task difficulty to mediate the relationship between sales performance failure and sales-oriented behavior intentions. As Preacher, Rucker, and Hayes (2007) suggest, we focus on the indirect effect in this model rather than on the individual estimates in Model 3. Accordingly, we found support for H<sub>3</sub> in that the indirect effect through perceived task difficulty is positive and differs significantly from zero (total indirect effect = .349, SE = .077; 95% confidence interval: [.191, .496]).

Finally, Model 4 tests the moderating role of error management, and Model 5 tests the three-way interaction effect of core transformational leadership and error management. From H<sub>4</sub>, we expected the salesperson learned helplessness process to begin in the error avoidance conditions but not in the error encouragement conditions. In support of this hypothesis, the interaction term between sales performance failure and error management is negative and significant (Model 4:  $\beta = -.317$ ,  $p < .05$ ). Furthermore, Figure 3, Panel B, shows that the learned helplessness process was thwarted in the error encouragement conditions but not in the error avoidance conditions.

From H<sub>5</sub>, we expected core transformational leadership and error management to complement each other during the late stages of sales performance failure and, therefore, to diminish participants' sales-oriented behavior intentions. The three-way interaction in Model 5 is negative and significant ( $\beta = -.846$ ,  $p < .01$ ), as plotted in Figure 4. In this visual depiction, the right-hand side of the graph shows that

**TABLE 3**  
Intercorrelations, Descriptive Statistics, Reliabilities, and Validity Estimates for Study 2

Variables	1	2	3	4	5
1. Sales performance failure					
2. Perceived task difficulty	.56*				
3. Core transformational leadership	-.03	.01			
4. Error management	.02	.06	.00		
5. Sales-oriented behavior intentions	.14*	.22*	-.09*	-.34*	
<b>Descriptive Statistics</b>					
M	.49	4.23	.50	.00	3.06
SD	.50	1.20	.50	.82	1.52
<b>Reliability and Validity Estimates</b>					
Cronbach's alpha	—	.87	—	—	.89
Composite reliabilities	—	.87	—	—	.90
Average variance extracted values	—	.68	—	—	.75

\* $p < .05$ .

Notes:  $n = 635$ . Early-stage (late-stage) sales performance failure is coded as 0 (coded as 1). Low (high) core transformational leadership is coded as 0 (coded as 1). Error management is coded as -1 for the error avoidance condition, 0 for the control condition, and 1 for the error encouragement condition. Reliability and validity estimates do not apply to variables that are manipulated (sales performance failure, core transformational leadership, and error management).



**TABLE 4**  
**Estimation Results for Study 2**

	Model 1 $\beta$ (SE)	Model 2 $\beta$ (SE)	Model 3 $\beta$ (SE)	Model 4 $\beta$ (SE)	Model 5 $\beta$ (SE)
<b>Dependent Variable: Perceived Task Difficulty</b>					
Intercept			-.661*** (.056)		
Sales performance failure			1.350*** (.079)		
<b>Dependent Variable: Sales-Oriented Behavior Intentions</b>					
Intercept	2.846*** (.084)	3.134*** (.120)	3.017*** (.092)	2.838*** (.079)	3.108*** (.111)
Sales performance failure	.425*** (.120)	.109*** (.168)	.076 (.142)	.446 (.112)	.155 (.155)
Perceived task difficulty			.259*** (.059)		
Core transformational leadership		-.559* (.167)			-.526** (.154)
Error management				-.483*** (.096)	-.502*** (.136)
Sales performance failure × core transformational leadership		.617** (.238)			.547* (.220)
Sales performance failure × error management				-.317* (.137)	.051 (.188)
Core transformational leadership × error management					.064 (.189)
Sales performance failure × core transformational leadership × error management					-.846** (.271)
Adjusted R-square	.02	.03	.05	.14	.17
$\Delta R$ -square		6.74 (1)***		5.34 (1)*	9.78 (1)**

\* $p < .05$ .

\*\* $p < .01$ .

\*\*\* $p < .001$ .

Notes: Model fit statistics are shown for the models predicting sales-oriented behavior intentions. The change in R-square calculations for the interaction models compare their respective fits with those of unreported models that include all of their coefficients except the ones of interest (i.e., cumulative periods of sales performance failure × core transformational leadership for Model 2, cumulative periods of sales performance failure × error management for Model 4, and cumulative periods of sales performance failure × core transformational leadership × error management for Model 5).

core transformational leadership reduced participants' sales-oriented behavior intentions when errors were framed positively, in support of H<sub>5</sub>. We then further examined this effect in a post hoc manner by comparing the mean differences of our conditions using Tukey's honestly significant differences test. Notably, core transformational leadership only led to a significant decrease in sales-oriented behavior intentions during late-stage sales performance failure when errors were encouraged (mean difference =  $-.930$ ,  $p < .05$ ). In all other relevant situations (i.e., in the error avoidance and control conditions), sales-oriented behavior intentions did not significantly differ across the two core transformational leadership conditions.

### Discussion

Study 2's results provide greater support for those found in Study 1 and extend them in two notable ways. First, in line with the learned helplessness paradigm, we found perceived task difficulty to mediate the relationship between sales performance failure and sales-oriented behavior intentions.

Second, we found error management to be an effective approach that sales managers can use to restore the efficacy of core transformational leadership during the sales force socialization process. Importantly, both support a learned helplessness perspective of the sales profession, and the latter offers a viable approach for sales managers interested in diminishing newly hired salespeople's sales-oriented behaviors. We discuss our article's contributions in the following section as well as its limitations and fruitful areas for further research.

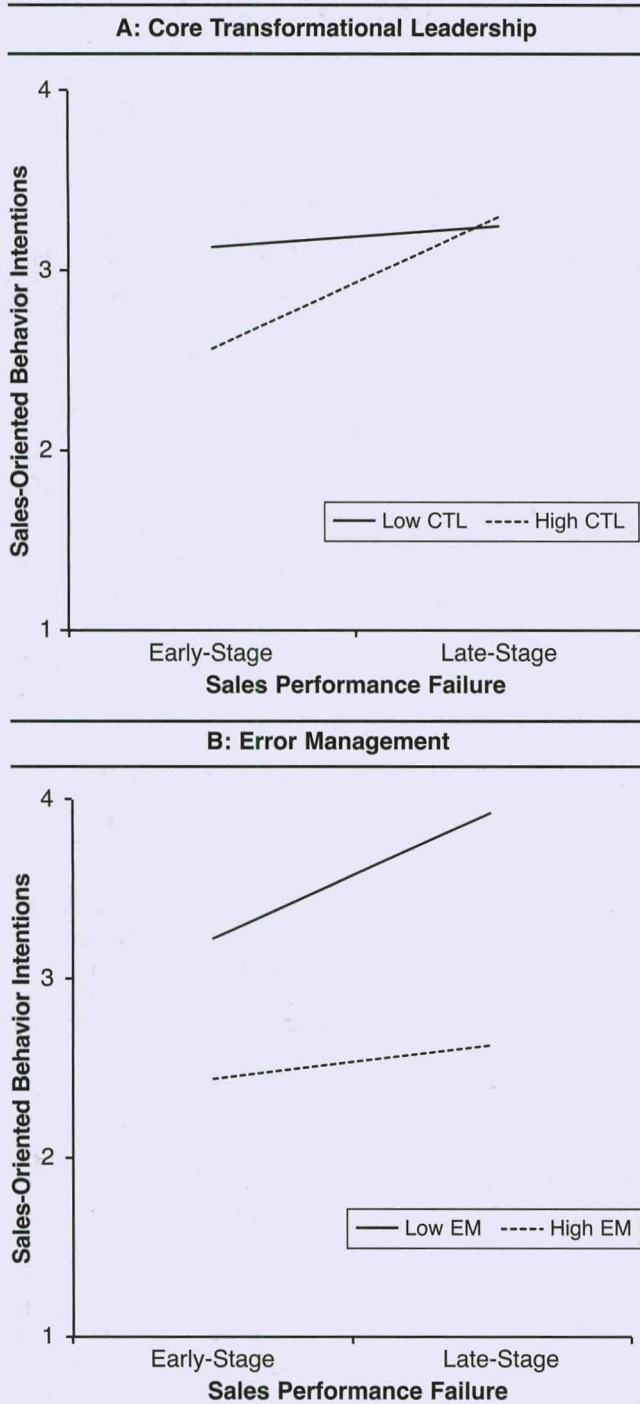
## General Discussion

The theory of learned helplessness proposes a sobering thought for the sales profession: newly hired salespeople are likely to adopt sales-oriented behaviors during the sales force socialization process because of the failure-prone nature of sales jobs. Furthermore, this perspective provides a possible explanation for salesperson behavior in many industries, which has driven the sales profession's poor rep-



**FIGURE 3**

**Study 2 Results: Moderating Effects of Core Transformational Leadership and Error Management (Two-Way Interactions)**

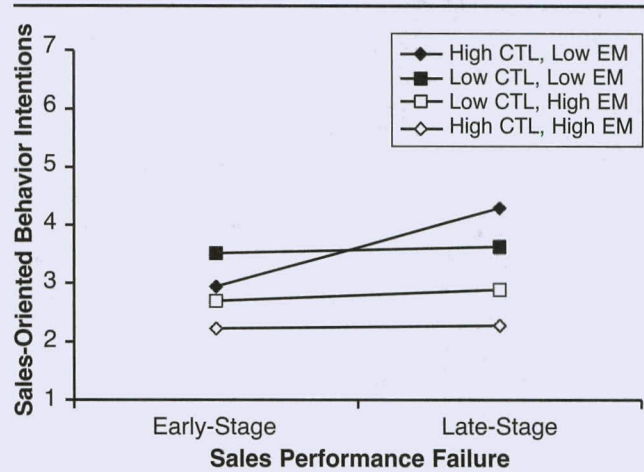


Notes: CTL = core transformational leadership; EM = error management. The low and high error management slopes approximate the error avoidance and error encouragement conditions, respectively.

utation (Gallup 2012). In this article, we studied this phenomenon in the field during the sales force socialization process of a retail furniture chain and in a scenario-based experiment involving the description of a real-world business-to-business insurance company.

**FIGURE 4**

**Study 2 Results: Moderating Effects of Core Transformational Leadership and Error Management (Three-Way Interaction)**



Notes: CTL = core transformational leadership; EM = error management. The low and high error management slopes approximate the error avoidance and error encouragement conditions, respectively.

The results suggest that cumulative periods of sales performance failure are associated with increased sales-oriented behavior intentions. In addition, we found core transformational leadership, a leadership style that is widely researched in the sales management literature (e.g., MacKenzie, Podsakoff, and Rich 2001; Schwepker and Good 2010), to be of limited use as periods of sales performance failure accumulated. Evidently, when newly hired salespeople's attributions about the causes of their sales performance failure are stable, the threefold approach of articulating a vision, leading by example, and fostering the acceptance of group goals is ineffective on its own. We find that a more efficacious approach involves pairing this "error-free learning" style of leadership with error management (Keith and Frese 2008), which communicates to salespeople that errors during their interactions with customers can be positive and are therefore encouraged.

### Theoretical Implications

This study contributes to the sales and learned helplessness literature streams in four important ways. First, the extant literature bridging these two areas of study has focused on the notion that pessimism potentiates acts of helplessness (Anderson 1983; Schulman 1999; Seligman and Schulman 1986). We add a longitudinal perspective to this body of research that demonstrates how sales performance failure in itself contributes to salesperson helplessness over time. Specifically, our results provide support for Sujan's (1999) contention that the stability of salespeople's failure attributions underlies salesperson helplessness. Related to this point, the sales literature to date has offered rich theoretical insights regarding salespeople's attributional and behavioral responses to failure (e.g., Dixon and Schertzer 2005; Dixon, Spiro, and Forbes 2003; Dixon, Spiro, and Jamil 2001), but it lacks longitudinal studies. Because this article diverges



from cross-sectional research, we believe our work addresses this gap in the literature.

Second, the current research derives insights from a large-scale empirical investigation of a sales force's socialization process. Dubinsky et al. (1986, p. 192) include the following statement in the abstract of their foundational article: "Successfully assimilating salespeople into an organization is a critical responsibility of sales managers, but little published research has explored this topic." Unfortunately, this statement still holds true nearly three decades later. We orchestrated a six-month data collection effort involving a large cohort of newly hired salespeople at a furniture retailer to overcome this shortcoming and to examine our hypotheses in a temporal manner.

Third, we demonstrate that core transformational leadership is potentially ill suited for the sales force socialization process. This contribution adds to the existing literature, which has identified the performance benefits of transformational leadership (MacKenzie, Podsakoff, and Rich 2001) but has not examined its application in the context of newly hired salespeople. Similarly, we offer experimental evidence that supports the use of error management to leverage core transformational leadership in failure-prone circumstances. Previous scholars have examined error management predominantly in the information technology and management domains (Keith and Frese 2008), but our perspective introduces the study to the sales literature.

Fourth, focusing our study on sales-oriented behaviors contributes to the body of work that has followed the selling orientation–customer orientation scale (Saxe and Weitz 1982). Much of this research has focused on employees' customer orientation (Zablah et al. 2012); however, given the prevalence of sales-oriented behaviors in practice, it is important to examine their occurrence directly. Furthermore, in this respect, conceptualizing sales-oriented behaviors as a form of salesperson helplessness is a core contribution of this article. By advancing this perspective, we hope that our work will bring the sales and learned helplessness literature streams closer together as well as help develop further insights in the area of sales performance failure.

### **Managerial Implications**

Sales managers can extract at least three key insights from this research. First, our work demonstrates the importance of setting achievable sales goals. Sales organizations are notorious for being short-term oriented and driven by immediate results (Homburg and Jensen 2007). However, according to our results, problems associated with this practice arise when salespeople fall short of their sales goals, a common occurrence in the sales profession (Ahearne et al. 2012). From our studies, it is evident that salespeople are more likely to act in a manner that runs contrary to the marketing concept as instances of sales performance failure accumulate. Sales managers should work closely with their employees to set reasonable sales goals, and we advise them to revise such goals throughout the sales force socialization process on the basis of new hires' performance records.

Second, sales managers can learn from our finding that articulating a vision, leading by example, and fostering the acceptance of group goals have a fleeting effect as periods

of sales performance failure accumulate. We suspect that many sales managers adopt a core transformational leadership approach because of its intuitive appeal. It seems universally advantageous to change "the values, goals, and aspirations of followers, so that they perform their work because it is consistent with their values" (Mackenzie, Podsakoff, and Rich 2001, p. 116). However, the stable failure attributions salespeople hold after missing multiple sales goals evidently counter the guided learning nature of such appeals. Our results suggest that an approach more suitable for the sales force socialization process is warranted.

In this sense, the approach we recommend to sales managers who oversee failure-prone environments combines error management with core transformational leadership. Newly hired salespeople need to know that they are likely to make errors as they actively try to uncover customers' needs. For developmental purposes, managers should encourage newly hired salespeople to make errors, even if it means asking the wrong questions or revealing themselves as novices because they do not have all the answers. Furthermore, managers should downplay the stigma of missing sales goals during the sales force socialization process in favor of promoting these developmental benefits. Our results suggest that salespeople are less likely to behave helplessly in pursuit of their sales goals by way of engaging in sales-oriented behaviors when managers communicate this mindset to newly hired salespeople and perform core transformational leadership behaviors.

### **Limitations and Future Research Directions**

We consider the topic of sales performance failure a burgeoning research area with substantial practical relevance. Although we focused on the adoption of sales-oriented behaviors following sales performance failure, other forms of salesperson helplessness offer worthwhile avenues for further research as well. For example, salespeople may acquiesce to customers' objections or avoid trial closes in response to cumulative periods of unmet sales goals. These forms of salesperson helplessness are likely to be more appropriate areas of study in sales jobs that do not tie monetary incentives to sales performance (i.e., straight salary positions). In any case, we recommend using the criteria set forth by Martinko and Gardner (1982) to determine whether a particular salesperson behavior should be considered an act of helplessness. That is, the behavior should be both passive and maladaptive.

In addition, we defined sales performance failure as the lack of achieving self-defined sales goals in this research. A worthwhile extension of our research is to investigate salespeople's attributional and behavioral responses to missing sales targets that are set by organizations. Salesperson failure could also be defined at a more granular level (e.g., down to the individual sales call level), and the issue of how failure contributes to salesperson helplessness on a day-to-day basis deserves more attention.

Finally, although we found that core transformational leadership paired with error management curbs the adoption of sales-oriented behavior intentions, our findings should be considered first insights on an important topic. Whether salesperson helplessness can be "unlearned" in organiza-



tions is still an open question (Martinko and Gardner 1982). Addressing this issue will require researchers to study the manipulation of managerial interventions after salesperson helplessness is already induced. We consider this research endeavor particularly attractive given the degree to which salesperson helplessness permeates the sales profession.

## Appendix A: Measures for Study 1

### **Core Transformational Leadership**

(Adapted from MacKenzie, Podsakoff, and Rich [2001]; 1 = "strongly disagree," and 7 = "strongly agree.")

Based on my exposure to my manager over the past two weeks, I believe he or she ...

1. ...has a clear understanding of where we are going.
2. ...paints an interesting picture of the future for our group.
3. ...is always seeking new opportunities for the organization.
4. ...inspires others with his/her plan for the future.
5. ...is able to get others committed to his/her dream.
6. ...leads by "doing," rather than simply "telling."
7. ...provides a good model for me to follow.
8. ...leads by example.
9. ...fosters collaboration among the organization's employees.
10. ...encourages the organization's employees to be team players.
11. ... gets the organization's employees to work together for the same goal.
12. ... develops a team attitude and spirit among employees.

### **Sales-Oriented Behavior Intentions**

(Adapted from Saxe and Weitz [1982]; 1 = "never," and 7 = "always.")

In the next two weeks, how frequently do you intend to ...

1. ...emphasize [company name's] most popular products rather than spend a lot of time looking for the exact product that meets a customer's unique needs?
2. ...sell customers more expensive products even if they don't completely match their expressed preferences?
3. ...say what a customer wants to hear, even if it's not 100% accurate?

## Appendix B: Experimental Materials for Study 2

Participants identified their current state of residence in the United States as well as their sales goal before reading the following four passages. These inputs were inserted as piped text into the experiment where {State} and {sales goal} appear. The months May–September are used in the following passages because participants were asked to imagine that their start date for the employment situation discussed in the experiment was May 1.

### **Company Description (Passage 1)**

Since 1946, insurance agents have sold First Response Insurance (FRI) products to more than 45 million people in Europe and Asia. These products include disability insur-

ance, dental insurance, and critical illness insurance, with FRI's dental insurance being its most popular product on the market. Many of FRI's current agents are former coaches, firefighters, production line workers, and teachers who initially came to FRI looking to supplement their incomes and engage in a career that puts them in control. These agents now collectively make up FRI's sales force, which operates on a straight-commission basis (FRI agents earn 20% of every policy they sell).

First Response Insurance recently gained government approval to extend its operations into North America. The company has organized a network of State Agent Supervisors (SASs) in the United States that will oversee new insurance agents during the North American launch. These SASs will earn commissions from their own policy sales (at a rate of 20%) and override commissions from the sales made by agents they oversee in their respective states (at a rate of 2%). Their primary responsibilities will be to recruit and train new insurance agents, though they may still choose to sell FRI products to customers.

The core responsibility of FRI agents is to sell insurance policies in the business-to-business (B2B) market, which differs from the more common business-to-consumer (B2C) market. In B2C markets, companies such as Allstate create awareness for their products and communicate with consumers primarily through advertising and social media. In B2B markets, insurance agents act as the primary mode of communication between insurance companies and their business customers. Typically, FRI agents call on human resource professionals in businesses, as they aim to influence these individuals to include FRI products in the menu of insurance options that are made available to their employees. Agents then earn commissions when employees in these businesses select FRI for their insurance needs.

### **Low Core Transformational Leadership (Passage 2a)**

Welcome to FRI! I have to say that the state of {State} has many businesses that you can call on. In fact, the reality is that you can enter any company in {State} and achieve your goals on your own. During this initial point of contact with you, I'd like to bring two facts about working in the insurance industry as an FRI agent to your attention.

First, I believe in the power of recruitment. From day one, I will be focused on recruiting new agents to join FRI, not on selling policies alongside you on the streets. In fact, perhaps the most effective way I plan to enlarge FRI's reach is through recruitment. This means I will not be able to show you the most effective way to get results, so always remember the job of selling is yours and yours alone.

Second, in the insurance business, a lone wolf succeeds—that is, individuals succeed. Not every FRI agent in {State} needs to actively sell policies, just a few hotshots. If one agent falls short of his or her goals, another agent won't be dragged down. Furthermore, I don't expect the strongest agents to help energize the not-so-strong. You probably want to be part of something on your own and that's exactly what you can do as an FRI agent. There will be no better feeling than being out in the field on your own. Go get started!



### **High Core Transformational Leadership (Passage 2b)**

Welcome to our team! I have to say that I foresee many opportunities available to us in the {State} market. My dream is for you, your fellow FRI agents of {State}, and I to enter companies across this state of ours and achieve our goals as a team. During this initial point of contact with you, I'd like to share my vision of how I believe we can succeed within the insurance industry as a team.

First, I believe in the power of leading by example. From day one, I will balance my time between (a) recruiting new agents to join our team and (b) selling policies alongside you on the streets. In fact, perhaps the most effective way I plan to inspire our team is through demonstration. This means I will be able to show our team the most effective way to get results, so always remember the job of selling is ours and not yours alone.

Second, in the insurance business, a lone wolf does not succeed—instead, teams succeed. We need our whole unit to actively sell policies, not just a few hotshots. If one agent falls short of his or her goals, our whole team will be dragged down. Furthermore, I expect the strongest agents in our group to help energize the not-so-strong. You probably want to be part of something larger than yourself and that's exactly what I envision building for our team. There will be no better feeling than being a member of our collaborative effort. Let's get started!

### **Early-Stage Sales Performance Failure (Passage 3a)**

Now please fast-forward one month and suppose you fell short of earning {sales goal}. That is, you missed your monthly income goal your first month as an FRI agent since you did not earn {sales goal} in May. This means you failed to sell enough insurance to earn commissions commensurate with your previous occupation's monthly salary. Nevertheless, you should consider this performance record a relatively small number of failed monthly income goals, seeing as it only represents one failed attempt to earn {sales goal} a month.

### **Late-Stage Sales Performance Failure (Passage 3b)**

Now please fast-forward five months and suppose you fell short of earning {sales goal} every month. That is, you missed your monthly income goal your first five months as an FRI agent since you did not earn {sales goal} in May, June, July, August, or September. This means you failed to sell enough insurance to earn commissions commensurate with your previous occupation's monthly salary five months in a row. You should consider this performance record a relatively large number of failed monthly income goals, seeing as it represents a consistent pattern of failed attempts to earn {sales goal} a month.

### **Error Management Avoidance Condition (Passage 4a)**

While actively discovering customers' needs, it is likely that you will make errors. In fact, many of these errors will

result in you failing to hit your monthly income goals. Try not to let this happen. Avoiding these errors and not missing your monthly income goal is a good thing! Your initial months with FRI are meant for you to improve as an insurance agent, and these mistakes are a negative part of this process!

Avoid making these mistakes and falling short of your monthly income goals during your developmental months with FRI. It's helpful to avoid these errors early in your career when you're interacting with potential customers. Likewise, it's good to avoid these errors and to avoid falling short of your monthly income goals while visiting new businesses, as well as existing clients. Avoiding these errors while you're in front of customers is the best way to ultimately get better in the sales profession.

Remember, in the next month, avoid making these errors and falling short of your income goal. In the long run, the more you avoid making these mistakes and avoid falling short of your monthly income goals, the better you will be as an FRI agent by the end of your onboarding experience.

### **Error Management Encouragement Condition (Passage 4b)**

While actively discovering customers' needs, it is likely that you will make errors. In fact, many of these errors will result in you failing to hit your monthly income goals. Do not worry when this happens. If you make these errors and miss your monthly income goal, that's a good thing! Your initial months with FRI are meant for you to improve as an insurance agent, and these mistakes are a positive part of this process!

Be willing to make these mistakes and fall short of your monthly income goals during your developmental months with FRI. It's helpful to make these errors early in your career when you're interacting with potential customers. Likewise, it's good to make these errors and to fall short of your monthly income goals while visiting new businesses, as well as existing clients. Making these errors while you're in front of customers is the best way to ultimately get better in the sales profession.

Remember, in the next month, be willing to make these errors and fall short of your income goal. In the long run, the more willing you are to make these mistakes and fall short of your monthly income goals, the better you will be as an FRI agent by the end of your onboarding experience.

### **Error Management Control Condition (Passage 4c)**

While actively discovering customers' needs, keep in mind that your initial months are meant for you to improve as an insurance agent.

During your developmental months with FRI, interact with potential customers. Likewise, visit new businesses, as well as existing clients. Being in front of customers is the best way to ultimately get better in the sales profession.

Remember, in the next month, the more you see customers the better you will be as an FRI agent by the end of your onboarding experience.



## Appendix C: Measures for Study 2

### Perceived Task Difficulty

(Adapted from Dixon, Spiro, and Jamil [2001]; 1 = "strongly disagree," and 7 = "strongly agree." The text in square brackets was only visible to participants in the late-stage sales performance failure conditions.)

If I were in this situation, I would reflect on this performance record and think my failure[s] in May[, June, July, August, and September] is [are] likely attributed to ...

1. ...the fact that FRI insurance sales calls are difficult for anyone who tries to sell FRI products.
2. ...the fact that anyone would find selling FRI products in North America to be a tough selling situation.
3. ...the fact that selling FRI products in North America is a difficult selling situation.

### Sales-Oriented Behavior Intentions

(Adapted from Saxe and Weitz [1982]; 1 = "never," and 7 = "always.")

Moving forward, imagine that you are about to embark on your next month on the job. Over the course of the next month, how frequently do you think you will ...

1. ...emphasize dental insurance to human resource managers (since it's FRI's most popular product) rather than spend a lot of time determining the exact product that meets their firms' unique needs?
2. ...sell more expensive insurance options to human resource managers even if it doesn't completely match the expressed preferences of their employees?
3. ...say what human resource managers want to hear, even if it's not 100% accurate?

## Appendix D: Manipulation Checks for Study 2

### Manipulation Check for Core Transformational Leadership

(Adapted from MacKenzie, Podsakoff, and Rich [2001]; 1 = "strongly disagree," and 7 = "strongly agree.")

Based on the above welcoming message from my State Agent Supervisor, I believe he or she ...

1. ...has a clear understanding of where we are going.
2. ...paints an interesting picture of the future for our group.
3. ...appears to always be seeking new opportunities for the organization.
4. ...inspires others with his/her plan for the future.

5. ...will be able to get others committed to his/her dream.
6. ...will lead by "doing," rather than simply "telling."
7. ...will provide a good model for me to follow.
8. ...will lead by example.
9. ...will foster collaboration among the organization's employees.
10. ...will encourage the organization's employees to be team players.
11. ...wants FRI employees to work together for the same goal.
12. ...will develop a team attitude and spirit among employees.

### Manipulation Check for Sales Performance Failure

(The text in square brackets was only visible to participants in the late-stage sales performance failure conditions.)

On a scale ranging from 1 (small) to 10 (large), please respond to the following statement.

I consider failing to meet my monthly income goal[s] in May[, June, July, August, and September] to be a relatively \_\_\_\_\_ number of failed monthly income goals.

### Manipulation Check for Error Management

(Adapted from Hughes et al. [2013]; 1 = "strongly disagree," and 7 = "strongly agree.")

Based on the above statement from my State Agent Supervisor, I believe he or she ...

1. ...encourages FRI agents in {State} to make errors.
2. ...encourages FRI agents in {State} not to make errors.

### Manipulation Check Results for Study 2

The core transformational leadership, sales performance failure, and error management manipulations were successful. As we expected, participants in the high core transformational leadership conditions rated their manager to be more transformational than those in the low core transformational leadership conditions (6.04 vs. 3.39;  $t = 30.96, p < .001$ ). Similarly, participants in the late-stage sales performance failure conditions considered failing to meet their monthly income goals in May, June, July, August, and September a larger number of failures than those in the early-stage sales performance failure conditions whose failure was limited to the month of May (8.64 vs. 2.87;  $t = 34.72, p < .001$ ). Finally, participants in the error encouragement conditions perceived that their manager encouraged errors more than those in the error avoidance condition (5.39 vs. 1.40;  $t = 29.15, p < .001$ ) and control condition (5.39 vs. 3.49;  $t = 12.09, p < .001$ ).

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