

THE ROLE OF SELLING EXPERIENCE IN INCREASING SALESFORCE PERFORMANCE

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Abstract

Rural Bank (RB) is a company that functions as an intermediary institution. NPL is a measure of Rural Bank performance. Currently, the NPL of Rural Bank headquartered in the city of Semarang has an average level of above 5%. Previous research has shown controversy over the results of research on adaptive sales behavior to Salesforce performance. Likewise, the effect of customer orientation on Salesforce performance. Based on the phenomenon and the controversy of the research results, this provides an opportunity to conduct further research. This research will be conducted at Rural Bank that have a Head Office in Semarang City, currently totaling 22 conventional Rural Bank. Meanwhile, the research unit is sales personnel or what is commonly referred to as Salesforces at the Rural Bank and the number is unknown. The results of this study are expected to contribute to the development of science, especially marketing management.

Keywords:

Rural Bank, Non Performing Loan, Salesforce

1. Introduction

Rural Bank is a Bank conducting business activities conventionally or based on sharia principles, which in its activity does not provide services in payment traffic. From the above definition, Rural Bank have limited activities, because Rural Bank are prohibited from accepting demand deposits, foreign exchange activities, and insurance. Rural Bank business activities include: receiving funds from the public in the form of savings, time deposits, providing credit, financing, and placing funds based on sharia principles, placing funds in the form of Bank Indonesia Certificates, Time Deposits, Certificates of Deposit, and savings in Other banks.

In principle, the banking business is a business that is properly and transparently regulated and supervised by the Financial Services Authority. The Financial Services Authority Regulation Number 20 of 2014 concerning Rural Bank, explicitly, in Article 38 states that the limit for the ratio of non-performing loans is 5%. Besides, according to POJK No. 33 of 2018, the quality of productive assets in the form of credit is defined into 5 groups, namely: current, under special mention, substandard, doubtful, and loss. This regulation will be implemented on December 1, 2019. Currently, 24 Rural Bank have a Head Office in Semarang. Referring to the results of the analysis of data sourced from the OJK, the average position of the NPL ratio to 24 Rural Bank in 2015-2018 was 8.06% per year. This average is higher than the stipulated provisions.

In the service industry, especially financial services, the role of sales personnel, or what is commonly referred to as an Salesforce, has a very important role. As the party most responsible for achieving sales

targets, the Salesforce is required to have adequate competence. Several competency indicators that have only been possessed by Salesforces include: being able to prepare a more concrete work plan, namely planning visits to customers or prospects, screening potential customers, having an understanding of product /product knowledge, being able to make sales presentations, being able to sell and achieve sales targets, be able to solve sales problems, be able to direct customers and be able to communicate (Rentz, 2002). To achieve effective sales performance, the Salesforce is required to have high performance.

The salesperson's performance is fully responsible for controlling their performance based on the behavior and results they get (Sujan et al, 2000; Verbeke et al, 2008). Until now, research on the effect of adaptive sales behavior on Salesforce performance is still being debated by researchers. Results of research conducted by Sara Kavooosi (2014); Puji Lestari (2015); and Kok-LeongWong (2016) cited by Ade (2018) and Park & Holloway (2003) states that adaptive sales behavior influences Salesforce performance. Conversely, other researchers argue that adaptive selling behavior does not affect Salesforce performance (Anglin, Stohlman and Gentry, 1990; Kohli, Shervani and Challagalla, 1998; Singh and Das, 2013).

Meanwhile, in their research, Terho et al (2013) stated that adaptive selling behavior failed to mediate the effect of learning orientation on Salesforce performance. Meanwhile, research on the effect of Customer Orientation on salesperson performance has also been carried out by many researchers. However, this also leaves a lot of controversy over the results of the study, Jeong et al (2014) in their research concluded that customer orientation influences performance, while other research results show the opposite (Mekonin, 2014); Frambach et al, 2015; Lu and Zhang, 2016). Based on what is described in the business phenomenon and research gap, it has provided an opportunity for further study and research. This research has relevance to the competitive resource advantage theory.

Previous research on Salesforce performance has shown that interpersonal skills influence Salesforce performance. On the other hand, salesmanship, technical, and marketing capabilities do not affect Salesforce performance (Basir et al. 2010). Furthermore, research results from John et al (2012) state that monetary-based compensation incentives and non-monetary incentives do not necessarily affect Salesforce performance. However, monetary-based compensation incentives directly influence Salesforce turnover while non-monetary incentives do not always affect Salesforce turnover. Meanwhile, Talukder & Jan (2017) concluded that intrinsic motivation, extrinsic motivation, organizational commitment, and compensation have a significant relationship with sales staff performance, meanwhile, job satisfaction does not have a significant impact on sales staff performance. Finally, research conducted by Wardoyo et al. al (2019) the performance of the Salesforce is strongly influenced by sales training, selling experience, and the ability to build and maintain a business network

The results of research on the role of adaptive selling behavior show that this behavior influences Salesforce performance (Park & Holloway, 2003; Franke & Park, 2006; Singh and Das, 2015 and Kara et al, 2013). However, the results of research conducted by Tercho et al (2013) show that adaptive selling behavior fails to mediate the effect of learning orientation on Salesforce performance. Furthermore, Park & Holloway (2013) say that adaptive selling behavior also affects job satisfaction. Furthermore, some researchers state that customer orientation influences Salesforce performance (Kavooosi, 2014; Vergheze, 2015). However, the research results of RIDgon (2014) show the opposite results.

Previous researchers have stated that selling experience affects Salesforce performance (Deadrick et al, 1997). However, this finding is in contrast to the study of Franke & Park (2006) finding no significant effect between selling experience and job satisfaction. Meanwhile, Matsuo and Kusumi (2000) state that experience moderates the effect of knowledge and performance. This has the support of Singh & Das (2015) which states that the selling experience can moderate the effect of adaptive selling behavior on Salesforce performance. Giacobbe, et.al (2006) stated that the selling experience in addition to influencing sales performance both in the context of adaptive sales behavior or not.

The following is a picture of the theoretical framework in research and its hypotheses

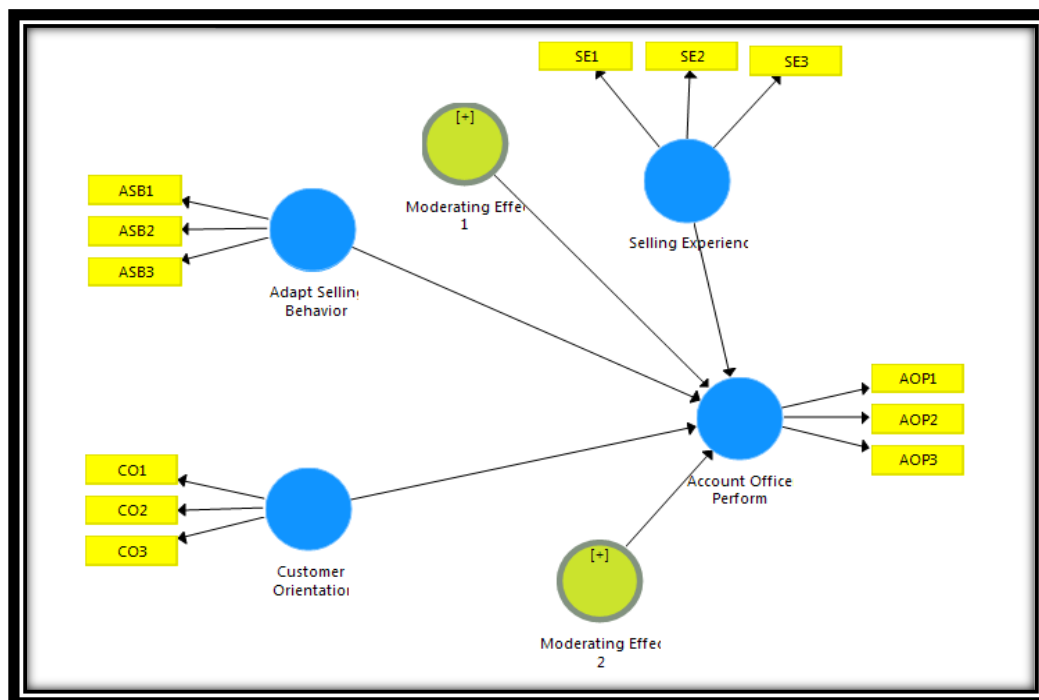


Figure 1 Research Model

Furthermore, the research hypothesis is as follows:

- a. Adaptive selling behavior affects the Salesforce performance
- b. Customer orientation affects Salesforce performance
- c. Selling experience moderates the effect of adaptive selling behavior on Salesforce performance
- d. The selling experience moderates the effect of customer orientation on Salesforce performance

2. Research Methods

This type of research is exploratory, which aims to determine the effect of the independent variables, namely adaptive sales, customer orientation on Salesforce performance, and using the selling experience as a moderating variable.

The population in this study were all Salesforces or salespeople from 22 conventional Rural Bank headquartered in the city of Semarang. The sampling technique used purposive sampling, using criteria; Male or female, who are permanent employees, have had work experience as a Rural Bank Salesforce for at least 1 year. This study used a sample of 120 respondents. The number of 120 respondents comes from 10 times the number of research indicators. on *AO's performance*.

Of the 120 questionnaires sent by the respondents, 105 were returned, and only 99 were eligible, while the remaining 6 were incomplete. This study uses the measurement Interval Scale scale with the technique *Agree-Disagree Scale*. Measuring this scale will produce answers strongly disagree - answers strongly agree in the range of values 1 to 10 (Ferdinand, 2014). The data analysis uses a structural equation model and the solution uses SmartPLS version 3.0 software.

The operational definitions of variables are as follows:

Table 1. Operational Definition of Variables

No	Operational Definition of Variables	Indicator
1	Adaptive Selling Behavior the ability to adapt in using sales strategies by considering typical sales motives and behaviors that occur during interactions with customers.	a) Has responsiveness b) Be assertive c) Be flexible
2	Customer Orientation The salesperson's ability to communicate with customers and the company's efforts to understand the wants and needs of its customers.	a) Give honest information b) Offer the best c) Help solve problems
3	Selling Experience Level indicates the level of experience a salesperson has who is involved in selling a product/service	a) Experience in the sales process b) Experience doing sales presentations c) Experience of failing to make sales
4	Salesforce Performance is an evaluation of the Salesforce's contribution to achieving organizational goals.	a) Increased Sales Volume b) Sales Growth c) Customer Growth

3. Results and Discussion

3.1 Result

Based on the data collected and after being processed uses SmartPLS version 3 software, seen that all indicators have a loading factor above 0.6. It is the same with the cross-loading table. The details as following

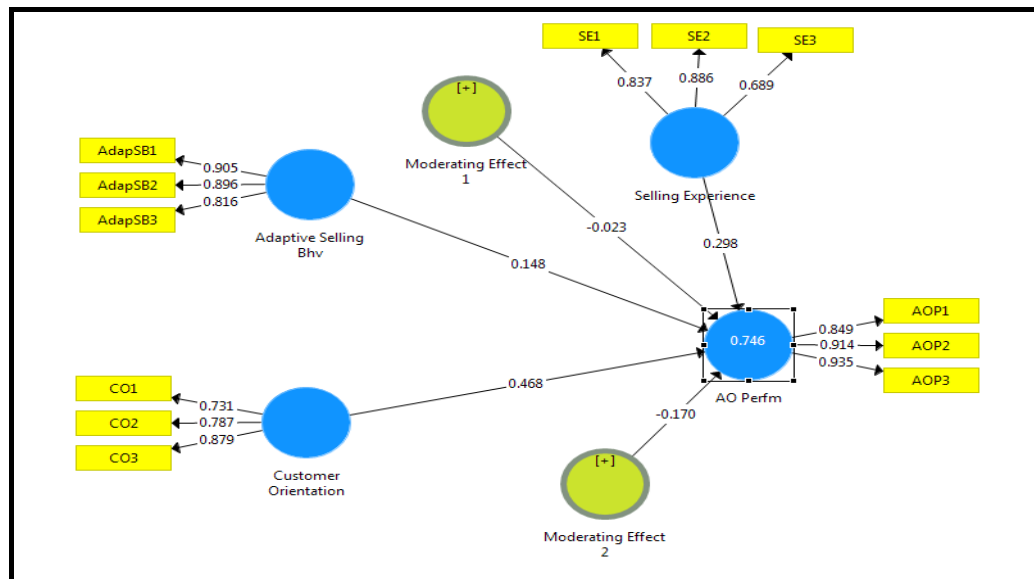


Figure 2 Full Model

Table 2 Cross Loading

	Salesforce Perform	Adapt Selling Behavior	Customer Orientation	Moderating Effect 1	Moderating Effect 2	Selling Experience
AOP1	0,849					
AOP2	0,914					
AOP3	0,935					
ASB1		0,905				
ASB2		0,896				
ASB3		0,816				
Adapt Selling Behavior * Selling Experience				0,935		
CO1			0,731			
CO2			0,787			
CO3			0,879			
Customer Orientation * Selling Experience					0,927	
SE1						0,837
SE2						0,886
SE3						0,689

3.1.1 Validity, Reliability, and Structural Testing

Evaluation of the construct reliability value is measured using the Cronbach's Alpha and Composite Reliability values. Cronbach's Alpha value must be greater than > 0.7 , while the AVE value > 0.5 , as well as the composite reliability value > 0.7 . Complete validity and reliability tests show in the following table:

Tabel 3 Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)	R Square
Salesforce Perform	0,882	0,886	0,927	0,810	0,746
Adapt Selling Behavior	0,843	0,846	0,906	0,762	
Customer Orientation	0,724	0,773	0,842	0,642	
Moderating Effect 1	1,000	1,000	1,000	1,000	
Moderating Effect 2	1,000	1,000	1,000	1,000	
Selling Experience	0,750	0,814	0,848	0,653	
Average				0,811	0,746

Furthermore, the results of the bootstrapping and calculation of the path coefficient model as following

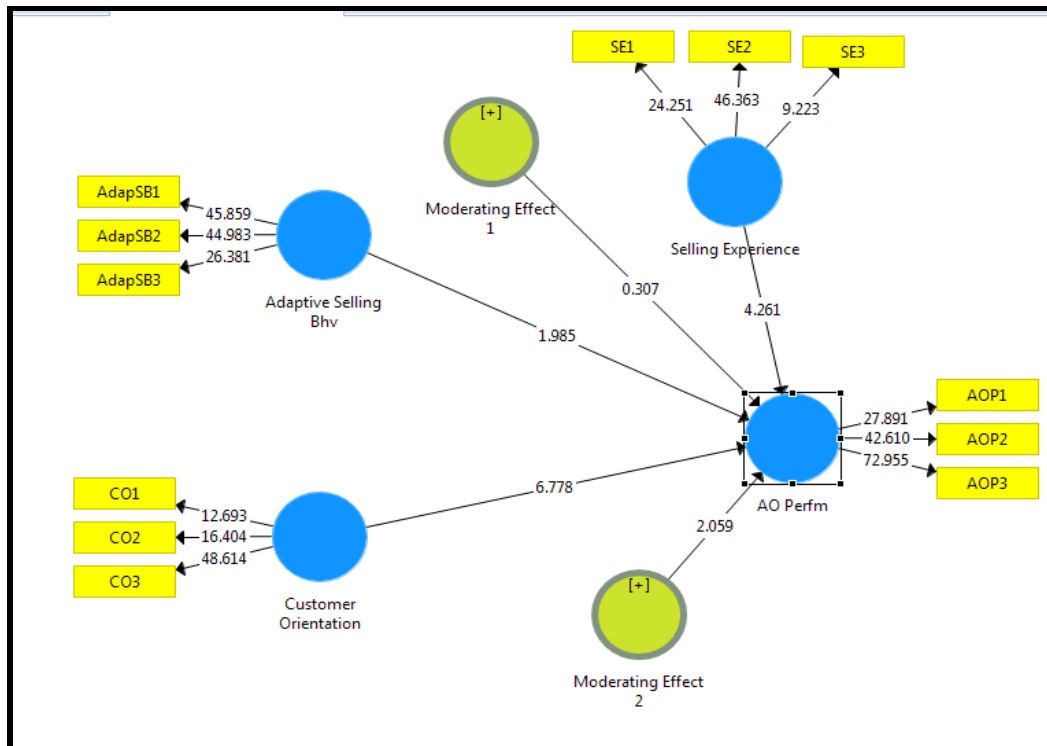


Figure 3 Bootstrapping

Table 4 Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Adaptive Selling Bhv -> AO Perfm	0,148	0,151	0,074	1,985	0,048
Customer Orientation -> AO Perfm	0,468	0,465	0,069	6,778	0,000
Moderating Effect 1 -> AO Perfm	-0,023	-0,018	0,075	0,307	0,759
Moderating Effect 2 -> AO Perfm	-0,170	-0,174	0,083	2,059	0,040
Selling Experience -> AO Perfm	0,298	0,300	0,070	4,261	0,000

Based on the table above, the following shows:

1. Adaptive Selling Behavior affects Salesforce Performance
2. Customer Orientation affects Salesforce Performance
3. Selling Experience affects Salesforce Performance
4. Selling Experience is unable to moderate the influence of Adaptive Selling Behavior on Salesforce Performance

5. Selling Experience is able moderate the influence of Customer Orientation on Salesforce Performance.

3.2 Discussion

3.2.1 The Effect of Adaptive Selling Behavior on performance Salesforce.

The test results empirically prove that Adaptive Selling Behavior affects the performance of the Salesforce. The better the adaptive selling behavior carried out by the *Salesforce*, the better its performance. The results of interviews with respondents indicated that the *Salesforces* BPR were not responsive and in carrying out their duties were still rigid. Such behavior occurs because they are more after-sales targets both in terms of raising and distributing funds. Thus they are more short-term oriented. The results of this study are consistent with the study of Park & Holloway (2003); Franke & Park (2006) Singh and Das (2013); Kara et al (2013).

3.2.2 The Effect of Customer Orientation on performance Salesforce

The results of empirical testing prove that customer orientation influences the performance of Salesforces. The better the orientation that is done to the customer, the better the performance of the Salesforce will be. This is because the Salesforce will increasingly know what the customer needs. Does the customer need funds for working capital, investment, or consumptive purposes, or on the contrary, the customer wants to save his / her funds in the form of time deposits or savings accounts. By knowing what customers need, Salesforces can offer banking services that are more in line with their needs. The results of this study support the study conducted by Kavoosi (2014); Vargheze (2015), but different from the results of a study conducted by Ridgon (2014)

3.2.3 Effect of Selling Experience on performance Salesforce.

The empirical test results show that the selling experience has a significant effect on the performance of the Salesforce. The work experience of the Salesforce will be very useful for him in completing work tasks so that he will be able to work more efficiently and effectively. This study is in line with the results of research by Deadrick et al (1997); Giacobbe.et.al (2006) and Tercho (2013). However, the results of this study contradict studies conducted by Franke & Park (2006) and Wardoyo et al (2019) who found that selling experience does not affect Salesforce performance.

3.2.4 Moderation of Selling Experience on the effect of Adaptive Selling Behavior on performance Salesforce

The empirical test results show that the selling experience is not able to moderate the effect of adaptive selling behavior on performance Salesforce. The results of interviews with respondents indicated Salesforces experienced had a "tendency to simplify behavior". This happens, because the Salesforce feels familiar and familiar with the customer personally, so he often ignores social norms and the sales process that should be. Not all customers like the attitude/behavior of the Salesforce. The statistical results show that the effect of selling experience on performance Salesforce is significant, while the interaction between adaptive selling behavior and selling experience is not significant. This means that this moderating variable is included in the category Predictor Moderating Variable, meaning that the position of the selling experience variable only plays a role as an independent /variable predictors.

3.2.5 Moderation of Selling Experience on the influence of Customer Orientation on performance Salesforce

The empirical test results show that customer orientation significantly affects the performance of the Salesforce, while the interaction between the selling experience and customer orientation is also significant.

This means the selling experience variable acts as a quasi moderating variable. Selling experience acts as a moderating variable as well as an independent variable. When selling experience has the status of an independent variable, the selling experience affects the performance Salesforce's in the opposite direction. Field findings show that the principles of taking and give or win-win solutions carried out by experienced Salesforces will provide positive things for BPRs and customers. The more account experienced officers, the effect of customer orientation over performance of account the lower the officers.

4. Conclusion

Based on the results of data analysis, the conclusion of the research problem shows that the more Salesforces are experienced, at work, they tend to act less customer-oriented. Such a thing will affect its performance. Meanwhile, the managerial implication of this research is that the recruitment process needs to pay attention to work experience by prioritizing candidates who have experience in the banking industry, in addition to providing provisioning in the form of training related to daily tasks.

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