CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT
Proceeding

The 10th UBAYA International Annual Symposium on Management

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

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Published by:
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Universitas Surabaya
Jl. Raya Kalirungkut
Surabaya, Indonesia 60293
Phone : +62-31-2981139
Fax : +62-31-2981239

ISBN: 978-979-99365-7-8

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THE PREDICTIVE MODEL OF RELATIONSHIP BETWEEN ROLE STRESS, PERSONALITY, AND SALES PERFORMANCE IN SERVICES MARKETING

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Personal selling as a promotional activity has its own characteristics in its approach, which provides services that satisfy consumers in a more personal way. A salesperson is the primary contact point for the customer both before and after the purchase. Under these conditions, the salesperson controls the level of service quality delivered and is overwhelmed with enormous responsibilities in conveying service offerings. Salespeople involved in the marketing of complex services often perform the role of “relationship manager”. On the other hand he or she is expected to reach the sales target, which is sometimes conflicted to the other roles. To be able to cope with an increasingly demanding competitive market, the company needs a professional sales force, who is capable of producing a good performance.

Sales performance research over the last 70 years has been characterized by various attempts to link sets of constructs to the overall performance of the selling activity. The purpose of this research is to investigate a predictive model of relationships between role stress, personality, and job performance. Personality in question are job satisfaction, self-efficacy, and emotional intelligence. Data retrieved using survey and interview methods, and the relationship between research variables tested by using analysis of Structural Equation Modeling (SEM) based on the variance component or partial least square (PLS). Questionaire was filled by 114 agents of a life insurance company operating in East Java. From 9 hypotheses proposed, it was found that there were two significant relationships, i.e the relationship between role ambiguity and self-efficacy and the relationship between role ambiguity and emotional intelligence.

Keywords: sales performance, role conflict, role ambiguity, job satisfaction, self-efficacy, emotional intelligence

In an attempt to approach the market, companies use a variety of ways. The fundamental effort of marketing include its ability to determine the needs of their customers and to create and maintain the marketing mix that are effective or can satisfy consumer needs. If the ways of mass communication was less effective, then it is necessary to use an interpersonal approach to the consumer. Personal selling as a type of promotion provides services that help satisfy consumers in a more personal way.

The role of personal selling actors or salesperson becomes more important in an increasingly competitive market. Because of the person-to-person encounter, the salesperson will be able to see the needs and unique situation of consumers, as well as observing the reaction of each consumer more specifically. Being a salesperson in an increasingly competitive marketplace is no longer an easy task. Salespeople now have to really prepare him or herself professionally to be able to cope with an increasingly demanding and more competitive market.
Salesperson needs certain characteristics to become professional, whether related to intellectual, personality, or to skills aspects. Professional attitude of a salesperson will impact on individual performance, group performance, and ultimately lead to profits and corporate survival. So no wonder if the research on salesperson performance has lasted more than 80 years of empirical research. Most of this research focuses on the relationship and the impact of personal variables, organization, and environment on sales performance. The question much debated is among the various factors influencing the salesperson's performance, which is the most important factor as a determinant of success? These studies generally concluded that no single determinant or factor or several factors in a single category of predictors that can accurately predict the performance of salespeople in the future. Weitz, Sujan, and Sujan (1986) emphasized the importance of adaptive selling in personal selling situations. The study of Crosby, Evans, and Cowles (1990) found there was no relationship quality affects sales effectiveness significantly, whereas the relational selling behaviors have a significant influence on relationship quality. Research of Sujan, Weitz, and Kumar (1994) concluded that performance orientation that encourages hard work occurs only at salesperson who is high in self-efficacy. Salespeople who have low self-efficacy seem powerless to achieve goals and to demonstrate his ability. Studies from Brown, Cron, and Slocum (1998) showed that the salesman who set more ambitious goals will reveal better results. Furthermore this study also found that self-efficacy relate to the objectives and performance levels. High salesperson in her self-efficacy will set higher goals and do better. Cotham (1970) examined a number of studies that discuss the characteristics of the salesperson as a determinant of the performance of personal selling, and then classified into 3 categories, namely 1) cognitive factors, including intelligence and talent, 2) salesperson's personal and occupational life experiences, and 3) personality, social intelligence and empathy, which he saw as the basic skills of interpersonal relationships. Research from Behrman and Perreault (1984) proposed an integrative model of the antecedent and consequences of salesperson role stress, with emphasis on sales force performance and satisfaction as an important outcome for the company. It was concluded that the model tested with path analysis procedure proved quite comprehensive, especially as the basis of studies involving role conflict, role ambiguity, and relationship with job performance and job satisfaction. BM Purwanto (2002) examine the structural model that describes the influence of stress factors (role stress and burnout) on job performance (behavioral and sales performance). In his model the influence of stress on job performance factors are mediated by the internal states (adaptability and self-efficacy).

From the above studies, it appears that there is no agreement, except for certain characteristics, such as empathy and ego drive, which is the best predictor of the performance of salesmen in general. The following research will try to integrate the various theories and input from many previous studies, to answer the question of what is the determinant of a good salesperson performance, or which become an obstacle to achieving good performance in the insurance services sector.

In the life insurance industry, insurance salesman or agent has an important role as the spearhead of a company that directly deal with consumers. The role of
customer contact employees put the agent to represent the company in the eyes of consumers, who must maintain the company image, because their behavior and responses will affect consumers' judgment of company’s service quality overall. Position as boundary spanners (in the boundaries between firms and consumers) often face the agent to a conflict between consumers and management (role conflict) or less understand the role (role ambiguity). Such conditions are vulnerable to the occurrence of role conflict and role ambiguity, as one of the causes of deficiency of frontliner. Previous studies of role conflict and role ambiguity is generally concluded that they both have a negative effect on salespeople's performance overall, but there are special characteristics of the salesperson who can handle these conditions (Walker, Churchill, and Ford, 1975). Behrman and Perreault (1984) saw the special characteristics of the salesperson as an individual differences factors, which can overcome role conflict and role ambiguity, and capable of producing a good performance. In this study the special characteristics which are assumed to be a positive potential and the strength of the salesperson is job satisfaction, self-efficacy, and emotional intelligence.

Job satisfaction is a positive emotion from someone on the job assessment as a whole. Schneider (1980) found the evidence that job satisfaction is the main reason that makes employees giving good service or high performance. Employees who feel satisfied with his work will be more than happy to serve and direct customers, which will increase the productivity. Self-efficacy is a cognitive mechanism concept proposed by Bandura (1977, 1989) to demonstrate the function of personality and their changes in relation to the judgment of his ability to do a behavior that is relevant to a particular task or situation. Emotional intelligence is needed when the salesman has to face various problems, either from the inside or from the outside. The five dimensions of emotional intelligence is needed when a salesperson trying to adjust the marketing messages to specific needs and beliefs of each customer. How does a life insurance salesperson deal with his role conflict and role ambiguity by processing a variety of his potentiality, is assumed will affect the performance of salespeople.

**Research Methods**

This study is trying to find out the relationships between several variables, i.e role stress (role conflict and role ambiguity), job satisfaction, self-efficacy, emotional intelligence, and performance of life insurance salesman. The proposed conceptual framework or the predictive model is as shown below. Structural Equation Modeling based on variance or often also called Component-Based SEM will be used to test the research framework proposed in figure 1. Although PLS can be used to confirm the theory, it can also be used to explain the presence or absence of relationship between latent variables.
Figure 1
The Conceptual Framework

Notes:
X1 = Role Conflict
X1.1 = incompatible requests from two or more groups of people
X1.2 = lack of resources to complete assignments
X1.3 = lack of time to do assignments
X2 = role ambiguity
X2.1 = know exactly what is exacted of me
X2.2 = explanations are clear
X2.3 = know responsibilities
Y1 = job satisfaction
Y1.1 = Role Conflict
Y1.2 = Self Efficacy
Y1.3 = Emotional Intelligence
Y1.4 = Job Satisfaction
Y1.5 = Sales Performance
Y1.6 = Qualification
Y1.7 = Sales Performance
Y1.8 = Qualification

: latent variable
--- : indicator (manifest variable)
: formed by
.........: influence
Y1.1 = the overall jobs
Y1 = Job Satisfaction
Y1.2 = Co-workers atau kolega
Y1.3 = Supervisor
Y1.4 = Company policies
Y1.5 = the support provided by the organization
Y1.6 = Compensation
Y1.7 = The opportunities for advancement
Y1.8 = the organization’s customers
Y3 = Emotional Intelligence
Y3.1 = Empathy
Y3.2 = Perceiving others’ emotions
Y3.3 = Self-awareness
Y3.4 = Self-regulation
Y3.5 = Self-motivation
Y4 = Sales performance

The proposed hypotheses are as follows:
1. Role conflict is significantly related to job satisfaction on life insurance salesperson.
2. Role conflict is significantly related to self-efficacy in life insurance salesman.
3. Role conflict is significantly related to emotional intelligence in the life insurance salesman.
4. Role ambiguity is significantly related to job satisfaction on life insurance salesman.
5. Role ambiguity is significantly related to self-efficacy in life insurance salesman.
6. Role ambiguity is significantly related to emotional intelligence in the life insurance salesman.
7. Job satisfaction is significantly related to the performance of life insurance salesmen.
8. Self-efficacy is significantly related to salesperson performance life insurance
9. Emotional intelligence is significantly related to the performance of life insurance salesmen.

Population, Sample and Sampling

Population is salesmen of life insurance companies operating in East Java. Questionnaires are distributed to the salesperson who has worked for at least two years, in consideration that it is valid enough as a salesperson's performance appraisal. Thus the technique used was incidental / convenient sampling. Data collected by one-shot cross-sectional approach. The instruments with Likert-scale method used for measuring employee perceptions of role stress (role conflict and role ambiguity), the personality (job satisfaction, self-efficacy, and emotional intelligence). Although the measurement of some constructs in this study have been developed and tested in previous studies, it will be modified to suit the context of this research. The performance is measured by the average number of policies sold each year.
Results

1. Demographics.

By looking at the data below it can be seen that more and more women are interested to work as salesforces in the relatively long period of time. It could be one of the reasons that the freedom of time owned by the profession, allowing those who in general have been married to play the double role. Middle ages make them more mature and more prepared for this profession, as well as to help their spouses in economic wellbeing.

Table 1
Demographic Characteristics of Salesforce (N = 114)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (years)</td>
<td></td>
</tr>
<tr>
<td>20 - 25</td>
<td>3.5 %</td>
</tr>
<tr>
<td>26 - 30</td>
<td>6.2 %</td>
</tr>
<tr>
<td>31 - 35</td>
<td>7 %</td>
</tr>
<tr>
<td>36 - 40</td>
<td>22.8 %</td>
</tr>
<tr>
<td>41 - 45</td>
<td>17.5 %</td>
</tr>
<tr>
<td>46 - 50</td>
<td>14 %</td>
</tr>
<tr>
<td>51 - 55</td>
<td>12.4 %</td>
</tr>
<tr>
<td>56 - 60</td>
<td>13.1 %</td>
</tr>
<tr>
<td>61 - 65</td>
<td>2.6 %</td>
</tr>
<tr>
<td>66 - 70</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Total amount</td>
<td>100 %</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>17.5 %</td>
</tr>
<tr>
<td>Female</td>
<td>82.5 %</td>
</tr>
<tr>
<td>Total amount</td>
<td>100 %</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Junior Highschool</td>
<td>1.8 %</td>
</tr>
<tr>
<td>Highschool graduate</td>
<td>59.6 %</td>
</tr>
<tr>
<td>Some college</td>
<td>1.8 %</td>
</tr>
<tr>
<td>College graduate</td>
<td>10.5 %</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>26.3 %</td>
</tr>
<tr>
<td>Total amount</td>
<td>100 %</td>
</tr>
<tr>
<td>Working experience</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>47.4 %</td>
</tr>
<tr>
<td>Professional</td>
<td>9.6 %</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>5.3 %</td>
</tr>
<tr>
<td>Agent/marketing</td>
<td>9.7 %</td>
</tr>
<tr>
<td>None</td>
<td>28 %</td>
</tr>
<tr>
<td>Total amount</td>
<td>100 %</td>
</tr>
<tr>
<td>Experience as an agent (years)</td>
<td></td>
</tr>
<tr>
<td>&lt; 2</td>
<td>25.3 %</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
</tr>
<tr>
<td>----------------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Total amount</strong></td>
<td>15.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Married</th>
<th>Widow/widower</th>
<th>Not married</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount</strong></td>
<td>71.1%</td>
<td>14.9%</td>
<td>14 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spouse job</th>
<th>Employee</th>
<th>Professional</th>
<th>Entrepreneur</th>
<th>Agent/marketing</th>
<th>Army</th>
<th>Non/housewifes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount</strong></td>
<td>48.6%</td>
<td>0.4%</td>
<td>8.8%</td>
<td>4.4%</td>
<td>2.6%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

Source: Data processed by researcher

2. Test constructs and indicators

  Smart PLS output are as follows:

  a. Reading the outer or measurement model model

  There are three criteria to assess the outer model, the convergent validity, discriminant validity, and composite reliability. Each construct is very reliable because it has a high composite reliability above 0.80 (Table 5.2). So did each of them a significant indicator of 0.05. All of the indicators have a statistically calculated T value above T table. (significant in 0.05).

  **Table 2**

  **Composite Reliability**

  | Role Conflict (X1) | 0.789 |
  | Role ambiguity      | 0.870 |
  | Job Satisfaction    | 0.865 |
  | Self-efficacy       | 0.815 |
  | Emotional Intelligence | 0.901 |
  | Sales Performance   | 1000  |
Table 3
AVE and AVE Roots

| Role Conflict | 0.553 | 0.558 |
| Role ambiguity | -0.484 | 0.694 |
| Job Satisfaction | -0.435 | 0.480 |
| Self-efficacy | -0.463 | 0.528 |
| Emotional Intelligence | -0.580 | 0.646 |
| Performance | 0.125 | 1.000 |

Table 4
Correlation between constructs and AVE roots

<table>
<thead>
<tr>
<th></th>
<th>x1</th>
<th>x2</th>
<th>y1</th>
<th>y2</th>
<th>Y3</th>
<th>Y4</th>
</tr>
</thead>
<tbody>
<tr>
<td>x1</td>
<td>0.558</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x2</td>
<td>0.553</td>
<td>0.694</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>y1</td>
<td>-0.435</td>
<td>-0.484</td>
<td>0.480</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>y2</td>
<td>-0.551</td>
<td>-0.665</td>
<td>0.463</td>
<td>0.528</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y3</td>
<td>-0.580</td>
<td>-0.633</td>
<td>0.645</td>
<td>0.690</td>
<td>0.646</td>
<td></td>
</tr>
<tr>
<td>Y4</td>
<td>-0.002</td>
<td>0.125</td>
<td>-0.091</td>
<td>0.043</td>
<td>-0.0166</td>
<td>1000</td>
</tr>
</tbody>
</table>

Description: diagonal is the root of the value of AVE.

b. Reading the results of inner model or relationship between the constructs.

Table 5 showed the results of the relationship between constructs. Apparently there are only 2 significant relationships, namely the relationship between role ambiguity and self-efficacy (t = 3.280 > 1.96) and the relationship between role ambiguity and emotional intelligence (t = 2632> 1.96). Relationship between other constructs not significant, because the calculated T value is less than the T table (1.96).

The relationship between role ambiguity and self-efficacy has a negative direction, meaning the higher the role ambiguity, the lower the self-efficacy, and vice versa.

Table 5
Coefficient parameter, Statistics Value and R-square

<table>
<thead>
<tr>
<th></th>
<th>original sample square estimate</th>
<th>mean of subsamples</th>
<th>Stdr deviation</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>x1 -&gt; y1</td>
<td>-0.241</td>
<td>-0.256</td>
<td>0.193</td>
<td>1.250</td>
</tr>
<tr>
<td>x2 -&gt; y1</td>
<td>-0.351</td>
<td>-0.399</td>
<td>0.204</td>
<td>1.722</td>
</tr>
<tr>
<td>x1 -&gt; y2</td>
<td>-0.263</td>
<td>-0.337</td>
<td>0.141</td>
<td>1.871</td>
</tr>
<tr>
<td>x2 -&gt; y2</td>
<td>-0.519</td>
<td>-0.479</td>
<td>0.158</td>
<td>3.280</td>
</tr>
<tr>
<td>x1 -&gt; Y3</td>
<td>-0.331</td>
<td>-0.351</td>
<td>0.179</td>
<td>1.849</td>
</tr>
</tbody>
</table>
Conclusions and Recommendations

1. Most of the indicators of the construct considered as good indicators, with a factor loading greater than 0.50. Each construct is reliable because it has a high composite reliability (above 0.80). So did each of them as significant indicator of the level of significance of 0.05. Role ambiguity has a loading value greater than the correlation value of role ambiguity indicators and other constructs.

2. From all of variables tested, only two variables found has significant relationships, i.e between role ambiguity and self-efficacy (t = 3.280 > 1.96) and the relationship between role ambiguity and emotional intelligence (t = 2.632 > 1.96). There were no significant relationship between other constructs, because the calculated T values were smaller than T-score table.

3. The relationship between role ambiguity and self-efficacy has a negative direction, meaning the higher the role ambiguity, the lower the self-efficacy, and vice versa.

4. The relationship between role ambiguity and emotional intelligence has a negative direction, meaning the higher the role ambiguity, the lower the emotional intelligence, and vice versa.

Suggestion for further research:

1. The respondent. The nature of the job as salesforce requires a lot of time and urgency. So it was rather difficult to find salespeople who are willing to fill the questionnaires. It seems that the educational level of high school in the average makes it rather difficult to answer the questions. It is suggested for further research to increase the amount of respondent with higher educational level. For the sake of generalization it is recommended to find respondent from several companies.

2. Self-report also provides plenty of opportunities to give answers that are not real, so other methods are needed for further research, such as interviews with several respondents.

3. Given the results of research found only 2 variables significantly associated, it is recommended for further research to use other variables that expected related to performance, such as motivation, communication skills, adaptability, or social intelligence, considering our culture stressing of social relationships.
4. As the main variables in this study, performance can also be measured qualitatively, for example by measuring the relational selling behavior.

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