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ISTRAŽIVANJE VEZE IZMEĐU UČINKOVITE KOMUNIKACIJE, PRODAVAČEVA ZADOVOLJSTVA MENADŽEROM I RAZVOJA ODNOSA S KUPCEM

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Sažetak

Razvoj i uspješno upravljanje odnosima s kupcima strateška je orijentacija većine organizacija na tržištu. Pri tome prodajno osoblje igra suštinsku ulogu, a njegova uspješnost ovisi i o tome je li ono zadovoljno poslom koji obavlja. Zadovoljstvo menadžerom prodaje komponenta je koja utječe na cjelokupno zadovoljstvo poslom. Prema tome, stavovi, ponašanje i vještine (poput vještine komuniciranja) prodajnog menadžera imaju velik utjecaj na zadovoljstvo prodajnog osoblja. Svrha je ovog rada istražiti odnos između različitih komponenti učinkovite komunikacije (vještine slušanja, otvorenog komuniciranja i mogućnosti jasnog komuniciranja povratne informacije) i zadovoljstva prodajnim menadžerom te odnos između potonjeg i razvoja odnosa s kupcima. Rezultati istraživanja mogu biti korisni prodajnom menadžmentu jer ukazuju na važnost i pozitivne efekte ispravnoga komuniciranja za ostvarivanje navedenih ciljeva. Nadalje, ovo istraživanje pridonosi znanosti ukazujući na specifičnosti odnosa među navedenim konstruktima u prodaji.

Ključne riječi: razvoj odnosa s kupcem, zadovoljstvo menadžerom prodaje, slušanje, otvorena komunikacija, povratna informacija

1. INTRODUCTION

Focus on developing long-term customer relationship is nowadays needed more than ever, as stressed by a number of authors (Saxe and Weitz, 1982, Pettijohn, Pettijohn and Taylor, 2002, Rozell, Pettijohn and Parker, 2004, Schewepker 2003, Javalgi, Hall and Cavusgil, 2014, Goebel, Deeter-Schmelz and Kennedy, 2013). The ones who are in the best position to develop these relationships are salespeople as boundary spanners, but only highly satisfied salespeople are able to perform outstandingly and to focus on this goal (Saxe and Weitz, 1982, Pettijohn, Pettijohn and Taylor, 2002, Rozell, Pettijohn and Parker, 2004, Schewepker, 2003, Javalgi, Hall and Cavusgil, 2014, Goebel, Deeter-Schmelz and Kennedy, 2013). Undoubtedly, sales management plays an important role in achieving the organization's objectives related to customer relationship development, sales targets and profit for organization (Deeter-Schmelz, Kennedy and Goebel, 2002), as well as in achieving the desired salespeople satisfaction (Chakrabarty, Brown and Widing, 2012, Schetzle and Drollinger, 2014). Accordingly, the success of an organization depends on, among other factors, the relationship between the salesperson and the sales manager which determines the level of satisfaction with the manager itself and job in general (Singh, 2012, Kim, 2015, Rich, 1997, Homburg and Stock, 2004, Ural, 2008, Pettijohn, Pettijohn and Taylor, 2002, Hartmann et al., 2016). Furthermore, if customer relationship development can be influenced by the level of satisfaction with the sales manager, then the logical next step is to identify the factors that affect satisfaction with manager. A number of authors are focused on different factors, whereas this study is limited to communication, as it is crucial in building the salesperson – sales manager relationship (Ružić, Benazić and Dolenc, 2013, Schetzle and Delpchitre, 2014, Blades, 2017).

According to Goebel, Deeter-Schmelz and Kennedy (2013), salespeople believe that sales management effectiveness consists of communication elements which include listening skills, open communication and effective feedback. These elements could as well represent some of the factors affecting the satisfaction with their manager.

In order to bring new insights into the specificity and relationships among the above mentioned construct and roles in sales, this study will attempt to answer the following research questions: (1) How to achieve satisfaction with the sales manager in the current business environment and why is this important? (2) What is effective communication and how does it influence satisfaction with the sales manager? (3) Is there a relation between satisfaction with the sales manager and customer relationship development as indirectly suggested by various authors?

The relevant literature on the topic is reviewed in the paper to explore these questions, while the primary research was conducted in order to support or neglect the previous studies results presented in the literature.

The main purpose of this paper is to offer a broader insight into the relations between the components of effective managerial communication (i.e. listening skills, open communication and effective feedback) and satisfaction with sales manager, as well as the relations between said satisfaction with manager and customer relationship development.

By understanding the foregoing relations, the basis will be created for managers to focus themselves on effective communication (or neglect it) in order to contribute to employee satisfaction with manager, which can be considered as a prerequisite for achieving employee satisfaction and, consequently, customer relationship development. The measurement and empirical evidence should support the limited literature on the topic in the sales field.

The paper is composed of five chapters. The chapter following this introduction provides a literature review and hypotheses development on the above briefly discussed topic on the relationship between the components of effective sales managerial communication, satisfaction with sales manager and customer relationship development. The methodology of the conducted research is presented in the third chapter. The fourth chapter is dedicated to the discussion and implications of the main research findings and how to apply them in practice. The final, fifth chapter presents the conclusions to the topic and aims at recognizing research limitations, while providing recommendations for further research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Different authors have different approaches towards defining customer relationship development, but many of them agree that human factor is the most important aspect of a successful relationship development with customers, i.e. sales personnel play a key role (Maklan, Knox and Ryals, 2008, Demirel, 2008, Stone and Jacobs, 2007, Adhilla, 2015). Customer relationship development is about improving and increasing customer satisfaction (Saleh, 2016) and in order to do this, employees themselves must be satisfied (Bulgarella, 2005, Solom, 2006, Jeon and Choi, 2012), because only highly satisfied sales employees are able to deliver extraordinary service and develop long-term relationship with customers (Bulgarella, 2005). The happier workers are with their job, the more satisfied they are (Parvin and Kabir, 2011).

Moreover, besides better customer relationships, the sales department as well as the organization in general should benefit from high job satisfaction in many different ways. Those who are satisfied with their job contribute more to organizational success, since they are more likely to produce more, take fewer days off, stay loyal to the company (Judge et al., 2001, Aziri, 2011, Böckerman and Ilmakunnas, 2012, Davar and RanjuBala, 2012, Bakotić, 2015, Rad and

Yarmohammadian, 2006, Parvin and Kabir, 2011, Kim 2015), are healthier, and feel better in general (Faragher, Cass and Cooper, 2005, Van Aerden et al., 2016).

Among a number of factors and job features that influence job satisfaction, studies identified the employee relationship with management and supervisors or, more precisely, satisfaction with management as an important one (SHRM, 2016). Furthermore, many factors affect satisfaction with manager. The way salespeople perceive their manager in terms of his or her controlling practices (Matsuo, 2009), broad knowledge base (Deeter-Schmelz, Goebel and Kennedy, 2013, Schatzle and Delpechitre, 2013), human relation skills (Deeter-Schmelz, Goebel and Kennedy, 2013), the ability to create and support a climate for learning and training (Sager, Naletelich and Dubinsky, 2014), dependability and manager's concern about the personal needs of salespeople (Schatzle and Delpechitre, 2013) and communication skills (Goebel, Deeter-Schmelz and Kennedy, 2013, Khameneh, 2014), affect the satisfaction with sales manager.

Moreover, the three primary communication elements that constitute sales manager effectiveness are listening skills, open communication and effective feedback (Goebel, Deeter-Schmelz and Kennedy, 2013). Effective managers manage their emotional abilities, use constructive relationships and communicate effectively (Khameneh, 2014). Likewise, to fully understand the needs of employees, to successfully motivate them, and to ensure that the goals of the organization and the expectation of employees are fully understood, managers should develop their communication skills (Ružić, Benazić and Dolenc, 2013).

According to the above mentioned, communication is of key importance and it must be effective. Moreover, the three communication elements that are seen as influential in developing sales manager effectiveness can as well represent the components of effective communication and each of them could potentially affect the satisfaction with manager.

Firstly, listening is the most fundamental component of interpersonal communication skills. Through an active process, a conscious decision is made to listen to and to understand the message of the speaker (Team FME, 2013). Consequently, it builds the relationship between employees and managers, which leads to a significant impact on employee motivation and engagement (TNS Employee Insights, 2014). Managers' good listening skills affect satisfaction with manager and job satisfaction (Molla, 2015).

Secondly, an effective feedback can simply be defined as letting the employees know how well they did towards achieving goals. Feedback to employees helps improve their performance and build trust with manager (Erven, 2001). When a salesperson receives effective feedback, this increases the feeling of competence and confidence in one's ability to perform job responsibilities (Goebel, Deeter-Schmelz and Kennedy 2013, Ural, 2008).

Open communication is the extent to which sales representatives can communicate openly with supportive sales manager (Deeter-Schmelz, Goebel and

Kennedy, 2008). Employees feel free to express opinions, voice complaints, and offer suggestions to their superiors in an open communication climate (Buchholz, 2001), which could also be a piece towards effective communication.

In order to advance the sales field's knowledge of the relation between communication, its components and satisfaction with manager, and the relation between satisfaction with manager and customer relationship development, the authors hypothesize:

Hypothesis 1: Sales manager's listening skills positively affect satisfaction with manager.

Hypothesis 2: Sales manager's open communication positively affects satisfaction with manager.

Hypothesis 3: Sales manager's effective feedback positively affects satisfaction with manager.

Hypothesis 4: Satisfaction with manager positively affects customer relationship development.

3. METHODOLOGY

3.1. Measurement Scales

A 33-item questionnaire was used in this research. The measurement scales used for the purpose of this study were taken from Goebel, Deeter-Schmelz and Kennedy (2013). Namely, in their study on sales manager effectiveness, these authors developed their own questionnaire based on the extant literature and previous works, which were considered partly suitable for the current study. In order to obtain as complete and as objective picture of the relations between the mentioned variables as possible, the questionnaire was divided into five sections as deemed appropriate by the authors: the level of sales manager listening skills, the ability to communicate openly, the ability to deliver effective feedback, the level of salesperson's readiness and willingness to develop relationship with customer, and the degree of satisfaction with manager.

In addition, questions about respondents' gender, age, qualifications and years in sales profession were added to the questionnaire.

The questionnaire was developed in electronic form and sent to enterprises included in the sample by email. The seven-item Likert scale (1 – strongly disagree, 7 - strongly agree) was used for all the questions (except for the socio-demographic ones).

3.2. Sample Characteristics

The sample was chosen by random selection from the list of Croatian enterprises which submitted the Annual Financial Report for the year 2015. The questionnaire was aimed at salespeople within organizations. A total of 142 valid and fully completed questionnaires were collected. The sample included 45.5% of men and 54.3% of women. The share of respondents younger than 35 years of age was 40.8%, 27.5% of respondents were 36-45 years old, whereas 31.7% of respondents were older than 45 years. 31.7% of respondents held an elementary school degree, 55.6% of respondents were high school graduates, 11.9% held a bachelor or university degree, while 0.8% of respondents held a master's or doctorate degree. 26.8% of respondents worked less than 5 years in the enterprise, 27.5% from 6 to 10 years, 12.7% from 11 to 15 years, while 33% of respondents worked for more than 15 years in the enterprise.

3.3. Assessment of Measurement Scales

The PLS-SEM method was applied to analyze and test the hypotheses, using the SmartPLS 3 software (Ringle, Wende and Becker, 2015).

Considering the primary aim of the current study was to assess the predictive capability of the constructs Listening skills (LS) and Open Communication (OC) on the Satisfaction with Manager (SM) and Customer relationship development (CRD), the above PLS-SEM method was chosen. Moreover, since the PLS-SEM method is basically a non-parametric method, it is more flexible than the CB-SEM method, thus being less sensitive to the distribution of the indicator variables (Cassel, Hackl and Westlund, 1999).

Furthermore, it allows to obtain acceptable results and to make valuable conclusions even with smaller sample sizes.

All the indicator variables were checked as to the presence of outliers and no values deviating more than 3 standard deviations were found. In order to assess the reliability and validity of the measurement scales, a confirmatory factor analysis was conducted, and the value of the factor loadings for the indicator variables were calculated, as well as the C.R. and AVE indicators. According to Hair et al.'s recommendations (2016; 149) for determining the statistical significance of item loadings and subsequently structural coefficients, the bootstrapping technique with 5,000 subsamples was used. The results of the confirmatory factor analysis are presented in Table 1.

Table 1

Indicator of internal consistency, reliability and convergent validity

	Item loadings (O)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	Cronbach Alpha	C.R.	AVE
FC1 <- FC	0,861	0,032	26,852	0,85	0,91	0,77
FC2 <- FC	0,923	0,016	59,335			
FC3 <- FC	0,838	0,044	19,007			
OC1 <- OC	0,863	0,027	32,558	0,91	0,93	0,74
OC2 <- OC	0,873	0,027	32,603			
OC3 <- OC	0,855	0,029	29,749			
OC4 <- OC	0,864	0,029	30,171			
OC5 <- OC	0,835	0,032	25,738			
LS1 <- LS	0,663	0,066	10,010	0,86	0,89	0,51
LS2 <- LS	0,643	0,069	9,376			
LS6 <- LS	0,499	0,084	5,921			
LS8 <- LS	0,745	0,050	15,037			
LS9 <- LS	0,659	0,064	10,292			
LS10 <- LS	0,778	0,040	19,575			
LS11 <- LS	0,807	0,042	19,165			
LS12 <- LS	0,830	0,031	27,105			
CRD1 <- CRD	0,946	0,062	15,308	0,74	0,88	0,79
CRD2 <- CRD	0,822	0,141	5,840			
SM1 <- SM	0,846	0,032	26,309	0,93	0,94	0,71
SM2 <- SM	0,893	0,020	43,593			
SM3 <- SM	0,893	0,019	47,759			
SM4 <- SM	0,907	0,016	56,804			
SM5 <- SM	0,757	0,051	14,726			
SM6 <- SM	0,854	0,027	31,976			
SM7 <- SM	0,746	0,047	15,712			

* $p < 0,05$

Source: Authors' calculation

All theoretical constructs are specified as reflective measurement models based on past research in the field (Goebel et al. 2013).

Furthermore, a Confirmatory Tetrad Analysis (CTA - PLS) was conducted, which builds on the concept of tetrads for constructs having more than 3 indicator variables (Gudergan et al., 2008). A tetrad is the difference between the product of one pair of covariances and the product of another pair of covariances (Hair et al., 2016, p. 286). In reflective measurement models, each tetrad is expected to have a value of zero, which is tested using the CTA – PLS analysis. In this survey, the results of the CTA – PLS analysis showed that none of the tetrads displayed a statistically significant difference from 0, hence it can be assumed that the specification of reflective measurement models is justified in this case.

Based on the results of the confirmatory analysis, all the indicator variables whose item loadings were above 0.4, i.e. variables whose loadings ranged between 0.4 and 0.7, were kept, because their exclusion would contribute to a decrease in C.R. or AVE indicators below the threshold limit of 0.7 and 0.5,

respectively. Accordingly, only the LS3, LS4, LS5 and LS7 indicator variables were removed from the construct Listening Skills. The remaining item loadings of individual indicator variables were statistically significant at the level of 5% and ranged between 0.4 and 0.7, i.e. most of them were above the recommended threshold limit of 0.7, thus allowing to establish an acceptable level of item reliability. Moreover, Cronbach α and C.R. coefficients were above 0.7, confirming an acceptable level of internal consistency reliability. Lastly, all AVE indicators of the analyzed theoretical constructs were above 0.5 and ranged between 0.51 and 0.79, thus allowing to establish an acceptable level of convergent validity of the measurement scales. The conservative Fornell-Larcker criterion (1981) and the Heterotrait-monotrait ratio (HTMT) 95% bias-corrected confidence interval (Table 2) were used to assess the discriminant validity. The HTMT ratio of correlations essentially measures what the actual correlation between constructs would be if they were measured flawlessly (Hair et al., 2016, p. 118).

Table 2

Fornell-Larcker criterion and HTMT ratio

	CRD	FC	LS	OC	SM
CRD	0,886				
FC	0,263 (0,31)	0,875			
LS	0,260 (0,30)	0,665 (0,77)	0,710		
OC	0,237 (0,27)	0,661 (0,75)	0,774 (0,84)	0,858	
SM	0,225 (0,25)	0,691 (0,77)	0,750 (0,81)	0,787 (0,84)	0,845

(HTMT ratio)

Source: Authors' calculation

The Fornell-Larcker criterion requires that the square root of AVEs for all constructs should be greater than the correlation between given construct and each of other constructs. Said criterion was met, except in case of the constructs LS, OC and SM. However, the Fornell-Larcker criterion is weaker in determining the level of discriminant validity in cases when the item loadings of individual constructs show little differences, e.g. if they range from 0.6 to 0.8 (Hair et al., 2016, p. 118), as it was in the current case. Hence, it was better to use the HTMT ratio in this instance. The HTMT ratio values for all the constructs were below the threshold limit 0.85. Therefore, it can be considered that the measurement scales for individual constructs show an acceptable level of discriminant validity.

3.4. Structural Model Analysis

After the confirmatory factor analysis was performed, the structural model was tested. Given the significance level of 5%, all the posited hypotheses were accepted.

Table 3

Structural model analysis

Hypothesis	Original Sample (O)	Standard Deviation (STDEV)	T Statistics ((O/STDEV)	R ²	f ²	Q ²	Hypothesis Acceptance
H1: LS -> SM	0,264	0,11	2,32	0,70	0,08	0,45	Accepted
H2: OC -> SM	0,429	0,11	4,08		0,22		Accepted
H3: FC -> SM	0,232	0,08	2,81		0,09		Accepted
H4: SM-> CRM	0,225	0,08	2,94	0,05	0,05	0,03	Accepted

Source: Authors' calculation

Accordingly, the constructs Listening Skills (H1: $\beta=0.264$), Open Communication (H2: $\beta=0.429$), and Feedback Control (H3: $\beta=0.232$) have a positive and statistically significant impact ($p<0,05$) on the Satisfaction with the Manager. Likewise, the construct Satisfaction with the Manager has a statistically significant and positive impact on the construct Customer Relationship Development (H4: $\beta=-0.225$). Among individual exogenous constructs, the construct Open Communication, which has medium effect size ($f^2=0,22$), mostly impacts the Satisfaction with the Manager. The other two constructs have a small effect size on Satisfaction with the Manager which, on the other hand, had a small effect size ($f^2=0,05$) on the construct Customer Relationship Development. The constructs Listening Skills, Open Communication and Feedback Control together explain the substantial 70% of variance of the construct Satisfaction with Manager which, on the other hand, poorly explains the construct Customer Relationship Development ($R^2=0,05$). The structural model has a satisfactory level of predictive relevance determined by using the Blindfolding procedure, the value of Q^2 is greater than 0 and equals 0.45 for the construct Satisfaction with Manager i.e. 0.03 for the construct Customer Relationship Development. Moreover, the structural model satisfactorily adjusts to the collected data. The SRMR value is 0.07 i.e. below the threshold value of 0.08 (Hu and Bentler, 1998).

4. DISCUSSION

In today's markets, nurturing relationships with customers has become the predominant approach for organizations. Key role in this approach is played by front line employees and salespeople. The current study provides clear evidence that salespeople satisfaction with manager helps in building and developing long lasting relationships with customers. This fact is a clear indicator

of the importance of this relationship and managers should provide the impetus and give their best in achieving this satisfaction. However, for a sales manager it is important to know what skills, behavior or attitude contribute to satisfy employees. At first glance, communication seems to be one of the dimensions affecting satisfaction with manager. The conducted research confirmed this assumption; namely, listening skills, open communication and effective feedback positively impact the satisfaction with manager, where open communication stands out as the most effective communication element. Taking this into account, sales managers must work hard on the development of their communication skills. By doing this, they will affect the satisfaction of their employees and the relationship with customers. This paper should encourage sales management to engage more in effective communication. HR departments should organize workshops in order to highlight the importance of said relationship and effective communication for the company's success through customer relations. Moreover, they should also organize workshops aimed at developing managers' soft skills (i.e. communication skills). The present study is related to previous research studies which were focused on identifying the relationships between individual or similar constructs with different aims and without linking them into a model as the authors did in the present study. Namely, some authors (Singh, 2012, Kim, 2015, Rich, 1997, Homburg and Stock, 2004, Ural, 2008, Pettijohn, Pettijohn and Taylor, 2002, Hartmann et al., 2016) highlighted the importance of the relationships between managers and salespeople as well as the importance of salespeople and their satisfaction to relationship development (Saxe and Weitz, 1982, Pettijohn, Pettijohn and Taylor, 2002, Rozell, Pettijohn and Parker, 2004, Schewepker, 2003, Javalgi, Hall and Cavusgil, 2014, Goebel, Deeter-Schmelz and Kennedy, 2013, Bulgarella, 2005). Other researchers (Goebel, Deeter-Schmelz and Kennedy, 2013) pointed out the impact of good communication skills on the sales manager's effectiveness, the impact of the manager's listening skills on the satisfaction with manager (Molla, 2015), and the importance of feedback in building trust (Erven, 2001). However, the current research approach provides new insights and broader knowledge of the relationships between these constructs and their effects. Moreover, the present study was conducted in a less developed market, due to the historical and economic development it has experienced, which could have its own specificity compared to developed markets in which previous researches were conducted. Lastly, once confirmed that sales manager communication skills affect the sales personnel satisfaction with sales manager, the paper's main finding is the evidence that there is a significant, although indirect, link between sales personnel satisfaction with manager and customer relationship development.

5. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

Sales is a challenging profession, but crucial for organization's success. Accordingly, it deserves special attention. Salespeople, as representatives of the organization in the field (i.e. in the market), can either harm or develop relations with contemporary customers who are less loyal, more demanding and empowered. The sales manager, as team leader or coach, should care about the emotional state of salespeople. The development of leader's listening skills, ability to communicate openly and to deliver an effective feedback could affect the relationship with customers in the long run and, consequently, the company's success. Since there are no clearly summarized findings on the relationships between sales manager communication skills - sales personnel satisfaction - customer relationship development in the available literature, the research results have added to the body of knowledge by providing specific insights into the relationships which, at the best of the authors' knowledge, have not received enough attention in the literature. Sales management's role is indirectly emphasized in the assessment of the level of sales personnel's willingness and readiness to develop long-term relationship with customers. By engaging in effective communication, sales managers are more likely to stimulate sales personnel to develop long-term relationship with customers.

The study has few limitations that can serve as a basis for future research of the above relations relative to the sample and additional moderator variables that can impact the relationships between the investigated constructs. Firstly, a larger sample and a more heterogeneous structure in terms of the activity of companies might allow wider generalization of results. Likewise, as the current survey was cross-sectional, the temporal relations among individual constructs were neglected. The poor explanation of the construct Customer Relationship Development provided by the construct Satisfaction with the Manager highlights the need to include in future research other constructs such as motivation, job burnout, sales manager trust, internal marketing activities, and the like. Furthermore, it would be recommendable to include specific moderator variables such as the type and amount of communication between salespeople and managers, personal traits of salespeople and managers, etc. Namely, effective communication is just one of the factors which influence satisfaction with manager; hence, other factors should be identified and studied. Moreover, due to the small sample size, the authors did not check the results as to the presence of unobserved heterogeneity, so this should be checked in future research conducted on a bigger sample. Lastly, future research could make a distinction between B2B and B2C salespeople and compare the related results between the two groups.

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EXAMINATION OF THE RELATIONSHIP BETWEEN EFFECTIVE COMMUNICATION, SALESPEOPLE'S SATISFACTION WITH THEIR MANAGER AND CUSTOMER RELATIONSHIP DEVELOPMENT

Abstract

Customer relationship development represents a strategic goal for most organizations in contemporary market. In achieving this goal, salespeople as boundary spanners are crucial and particularly successful when highly satisfied. Satisfaction with manager is a part of the components that impact the overall employee satisfaction. Accordingly, sales manager's attitudes, behavior and skills (such as communication skills) can significantly impact their subordinates' satisfaction through their satisfaction with manager. The main aim of the study is to explore the relations between the components of effective manager's communication (i.e. listening skills, open communication and effective feedback) and satisfaction with sales manager, as well as the relations between the above satisfaction with manager and customer relationship development. The results will provide deeper insights into the said relationships in the sales context. Moreover, the beneficiaries of the study would be sales managers that can provide the impetus to improve communication with subordinates in order to achieve greater satisfaction among subordinates with the management and the overall satisfaction with the final goal to eventually positively impact the relationship with the organization's customers.

Keywords: customer relationship development, satisfaction with sales manager, listening, open communication, feedback

JEL classification: D12, M31