

IMPACT OF LEARNING ORIENTATION ON SALES PERFORMANCE IN INDIAN BANKING AND FINANCIAL SERVICES AND INSURANCE INDUSTRY: ROLE OF DECLARATIVE KNOWLEDGE AND PROCEDURAL KNOWLEDGE

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Abstract: *As sale of financial products is increasingly moved to digital channels, the role and relevance of sales persons in Banking, Financial services and Insurance (BFSI) have come under severe scrutiny of both managers and academics alike. Financial services are abstract and complex products necessitating professional expert help and confidence building in the sales process. The product evaluation and purchase require specialized tools. It is highly susceptible to outside influence in decision making. Thus the role of sales persons in light of interplay or digital world and sophisticated product designs is at center stage now. We evaluate the role of sales persons and their learning orientation in achieving superior sales performance. We simultaneously test both the direct impact of learning orientation and indirect impact moderated by declarative knowledge (product knowledge) and procedural knowledge (salesmanship skills) on sales performance using a Structural Equation Model (SEM).*

Our findings suggest that learning orientation alone does not suffice in achieving superior sales performance. It is necessary to acquire necessary product knowledge and salesmanship skills in achieving success in sales performance. It highlights the need of training and regular knowledge update in the knowledge intensive BFSI industry. The research is particularly relevant for international BFSI industry players intending to invest in a fast growing economy like India.

Keywords: *Learning Orientation, Declarative Knowledge, Procedural Knowledge, Salespersons, Sales Performance, SEM*

1. INTRODUCTION

As more and more digitization of the business processes disrupts the conventional sales process, the performance of sales persons has come under scrutiny of both academic and managers alike. The rules of selling are changing rapidly and

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consumers are more knowledgeable than ever in the past. Particularly Banking, Financial services and Insurance (BFSI) industry, which does not involve physical transfer of goods from seller to buyer, has been one of the initial industries to be transformed by the ongoing digitization of businesses. BFSI products are abstract in nature which provide mental peace, tool to deal with uncertainty in future and empowers customers to achieve their life goals. It is difficult for many to understand, evaluate and take decision on buying financial products all by themselves. The decision making is generally influenced by workplace colleagues, friends, family members and certified financial planners. It involves consultative selling wherein the buyer is assisted with professional advice in evaluating the product to gain confidence in buying it.

As more and more digital tools are made available for financial product buyers to make their decisions online, it is becoming crucial for the sales persons in BFSI to prove their efficiency and effectiveness to justify and sustain continued role in the sales process. It is important for sales persons to enhance their skills and knowledge to remain relevant in their profession. Selling of financial services has traditionally been consultative in nature and involved personal selling approaches, which is inherently a dynamic process of influencing buyer's decision (Weitz, Sujan, and Sujan, 1986; Jaramillo *et al.*, 2007). Now the interplay of digital technologies and personal consultative selling is warranting change in mindset and evolution of sales persons.

In BFSI industry, there is an increased emphasis on acquiring new skills continuously as the products are fast evolving that are giving customers more control in designing a product suited for their needs. The sales person is expected to be knowledgeable of not only the product but also the regulations and policies governing the sale of custom products. Hence learning orientation is gaining importance in the BFSI industry. The companies are fostering culture of learning at individual level for creating differentiation from competition through superior sales persons and fast turnaround times.

Recent study by (Che-Ha, Mavondo and Mohd-Said, 2014) suggest that sales persons are seeking knowledge more proactively and becoming adaptive to achieve high performance. In the light of new realities, it is an opportune time to revisit the established theories to understand nuances of drivers of performance of sales persons.

1.1. Theoretical Foundation

Significant advances have been made by several landmark researches on understanding the drivers of superior sales performance. Walker *et al.* (1977) fused concepts from industrial psychology with motivation theory to study sales

performance in context of industrial selling. Similarly, Weitz *et al.* (1986) proposed that knowledge and motivation alone is not sufficient but adapting with changing customer context is a determinant of superior performance of sales person.

Theory of job performance proposed by (Campbell, Gasser and Oswald, 1996) offers theoretical explanation for understanding determinants of job performance. It established role perceptions and ability besides motivation and knowledge as determinant factors affecting sales performance. It suggests that knowledge and motivational choices to act in a certain way determine job performance. Motivation drives choices about intensity, quantum and duration of effort which eventually impacts job performance. Also, it is asserted that maximum performance occurs when the person's capability or talent is consistent with the needs of the job demands and the organizational environment. (Motowildo, Borman & Schmit, 1997) further separate performance into task performance and contextual performance to analyze individual differences in job performance in their proposed theory of individual differences. It claimed that individual differences in cognitive abilities explains task performance; while differences in personality explains contextual performance. Though this work mainly focused on maintaining broader social, organizational and psychological environment. Similarly, knowledge is segregated into procedural knowledge and declarative knowledge. Procedural knowledge refers to knowledge of process of sales whereas declarative knowledge refers to the technical knowledge about the product and its characteristics. The increasing interest among researchers in analyzing impact of learning orientation on sales performance in financial services is the prime motivation to undertake this research.

Few studies have simultaneously analyzed the impact of learning orientation on selling skills (Rentz *et al.*, 2002) and performance. The current study empirically analyses the impact of Learning Orientation (Sujan, Weitz, and Kumar, 1994) on Product knowledge (Declarative knowledge) and Salesmanship skills (Procedural knowledge) which in turn impact sales performance.

Learning orientation is an important determinant of performance and distinctive feature of successful sales person (Brett and VandeWalle, 1999; Vande Walle *et al.*, 2001; Wilson, Strutton and Farris, 2002). A learning orientation can be defined as an individual's disposition to improve and master selling skills and abilities on a continual basis and view challenging complex situations as an opportunity to improve their competence (Dweck and Leggett, 1988). Managers must focus on setting learning goals for their sales persons as it would motivate them to acquire new skills and knowledge to master their tasks which will help company achieve superior performance. It also influences how they would interpret and respond to their work-related challenges. Individuals who have higher learning

goal orientation, view challenges as opportunities to learn and develop themselves (Dweck, 1986).

1.2. Importance of the Study

The current study addresses the question “*What is the effect of learning orientation on salesmanship skills and product knowledge and subsequently on sales performance?*”

This study contributes to sales management literature focusing on personal selling by analyzing the effect of learning orientation of the sales person as a motivational construct, which influence sales process, on sales performance. It simultaneously integrates individual learning and selling skills in a single model. Currently, India is a fast growing economy and allowing for more foreign investments. This study will be of help to the foreign investors who want to enter the BFSI in India. We analyze perception of sales persons to selling skills required in selling BFSI products in India which will enable them to achieve higher sales performance.

We further conceptualize learning orientation, salesmanship skills, product knowledge and sales performance along with development of the hypothesis. We then present research methodology, test hypothesis and draw managerial implications. We conclude with discussion on limitations and future scope for research.

2. CONCEPTUAL MODEL AND HYPOTHESIS DEVELOPMENT

2.1. Conceptual Model

One of the most cited research contributing to the understanding of antecedents of sales performance was published by Churchill *et al.* (1985). Based on the findings of Walker *et al.* (1977), they found six predictive categories viz. role variables, skill, motivation, personal factors, aptitude and organizational/environmental factors which explained variance in performance. They also established that product type and not customer type or type of dependent variable moderated the effect of these categories on sales performance. Further research attempted to examine the strength of these determinants of sales performance. Ford, *et al.* (1987) conceptualized selling skills as a proficiency gained by an individual which is required for performance of tasks in a sales roles and has three distinct components namely Interpersonal skills, Salesmanship skills and Technical skills. Szymanski (1988) further conceptualized selling skills as primarily consisting of procedural knowledge and declarative knowledge laying emphasis on knowledge and skills possessed by sales people.

Recent meta-analysis by Verbeke, Dietz and Verwaal (2011) to understand the predictive power of the determinants of sales performance indicated that since we are moving towards a knowledge intensive economy, selling required adequate selling related knowledge and an adaptive approach in the selling process. Acquiring knowledge by sales people has become imperative and an integral part of the value creation process. In such organizations which are knowledge intensive, sales people must become knowledge brokers which involves transfer of product knowledge to their customers. The focus of this transfer of product knowledge should be on communicating to their customers how their products and services meet customer needs.

The expertise of sales person is a critical success factor in their performance. Based on the above discussion and the theory of job performance (Campbell, Gasser and Oswald, 1996) a theoretical model, shown in **Figure 1**, is proposed which suggests that performance is a result of knowledge about what has to be done, skills of doing it and motivation to act and persevere a task. This model would be empirically tested in Indian BFSI context. The model has three main features:

- a) It examines the effect of learning orientation on salesmanship skills and product knowledge
- b) It examines the direct effect of learning orientation on sales performance
- c) It examines the indirect effect of learning orientation on sales performance through salesmanship skills and product knowledge.

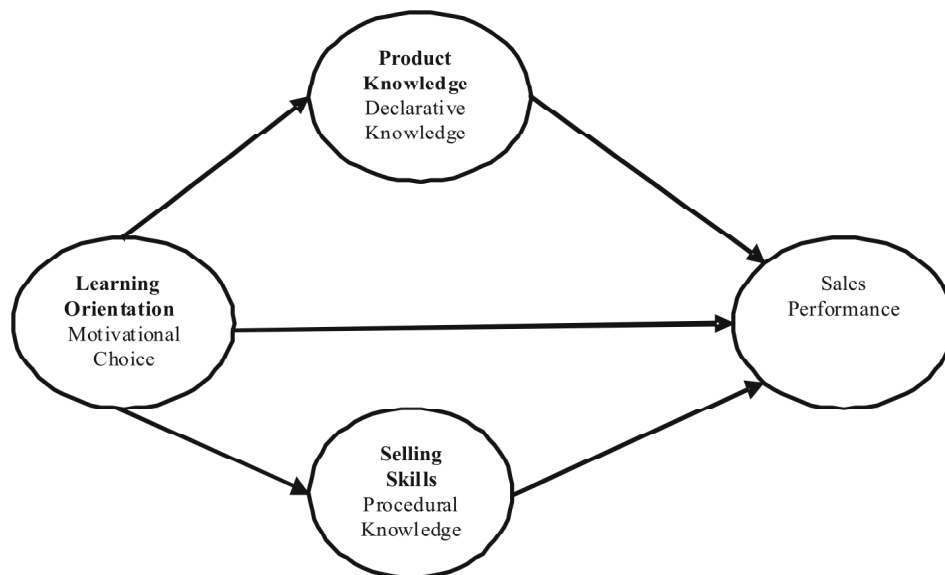


Figure 1: Theory of Job Performance Campbell, Gasser and Oswald (1996)

2.2. Learning Orientation and Declarative Knowledge

Campbell, Gasser and Oswald (1996) conceptualized declarative knowledge as knowledge about facts and things which reflect the capacity of individual to perform technical tasks related to their job. Rentz *et al.* (2002) examined knowledge and abilities of skilful salesperson and provided a comprehensive perspective based on the findings of Walker, Churchill and Ford (1977). They presented a three dimensional structure for selling skills comprising of interpersonal skills, salesmanship skills and technical skills. These findings are the theoretical perspective for many researchers in selling skills. Salesperson's knowledge of product features, market knowledge, policies and procedures were referred to as 'Technical skills'. Verbeke, Dietz and Verwaal (2011) integrated technical skills with selling related knowledge which reflected the knowledge salespersons' use in selling products or services to help customer solve their problems. To capture the knowledge component required for selling financial services through personal selling strategies, product knowledge was considered an important determinant of performance which captured the declarative knowledge impacting performance. The current extant research has examined effects of learning orientation on various aspect of sales such as performance (VandeWalle, Cron, and Slocum 2001; Jantan *et al.*, 2004), self-improvement (Dweck and Legget 1988), adaptive selling (Sujan, Weitz, and Kumar 1994; Park and Holloway 2003) and customer orientation (Harris, Mowen and Brown, 2005). However, research pertaining to the effect on selling skills is limited. A recent study by Chai, Zhao and Babin (2012) examines the influence of learning orientation on salesperson's perceived obsolescence which motivates sales person to acquire knowledge and skills.

Sujan, Weitz, and Kumar (1994) differentiates goal orientations of sales persons as two distinct goals comprising of performance and learning. Goal orientation drives behavior which may not be on opposite continuum. Learning goal motivates sales persons to work smart for prolonged duration. An approach which involves sales persons to engage in planning, altering their selling styles and developing confidence to enact in a variety of situations. (Dweck, 1986) further established that people with higher learning orientation perceive that their abilities can be developed through the learning process and hence they attempt to enhance their abilities. Individuals possessing higher learning goal orientation focus on not just achieving success in current tasks but future tasks too (Button, Mathieu, & Zajac, 1996). According to (Kozlowski *et al.* 2001), "Learning orientation is viewed as an adaptive response to novel or challenging achievement situations". While examining the effect of learning orientation on declarative knowledge they suggested that learning orientation can also result in higher self-efficacy and self-improvement. It leads to sales persons developing a perception of task-specific

competence. Results of Porath and Bateman (2006) suggest that learning orientation predicts proactive behavior and emotional intelligence. Chai, Zhao and Babin (2012) indicated that in personal selling, sales persons with higher learning orientation are motivated to continuously analyze their sales situations and identify new opportunities to enhance their sales knowledge and selling skills to avoid obsolescence. They infer that failing to update their sales knowledge and not acquiring new selling skills would lead to sales persons becoming obsolete. Also, learning oriented sales persons quickly adapt to new selling situations and update themselves of the required sales knowledge (declarative) and selling skills. Hence, learning-oriented sales person will possess higher declarative knowledge required for the job.

Hypothesis 1: Learning Orientation has a positive effect on declarative knowledge

2.3. Learning Orientation and procedural knowledge

Campbell, Gasser and Oswald (1996) conceptualized procedural knowledge and skills associated with knowing how to perform a task including cognitive, physical, psychomotor, self-management and interpersonal skills. Rentz *et al.* (2002) introduced "Salesmanship skills" as selling skills which comprised of various procedural aspects such as prospecting, qualifying the prospect, presentations, closing the sale, and servicing the account. The salesmanship skills indicated the extent of adaptability of the sales person (Verbeke, Dietz and Verwaal, 2011) or could be characterized based on consultative approaches, negotiation style communication style skills (Williams and Spiro, 1985; Weitz, Sujana, and Sujana, 1986; Johlke, 2006). Wilson, Strutton, and Farris (2002) suggested that sales person may require skills to comprehend their roles to apply their skills in a specific situation. Sales person who possess sales skills may also consider training more meaningful and more likely to apply, leading to superior performance. It can be inferred that salesmanship skills are learned proficiency of an individual to perform the sales tasks which involve knowing how to do certain things or performance the task, i.e. procedural knowledge.

Kohli, Shervani, and Challagalla (1998) suggested that learning goal orientation is associated with sales person preferring challenging tasks and having strong desire to continually improve and master their selling techniques and abilities. Chai, Zhao and Babin (2012) suggested any symptom of obsolescence; motivate sales people to master the situation by adapting their approaches to new reality. When sales people realize that existing strategies are less effective and not useful to consumer needs, they are more adaptive and acquire new skills for selling. Since learning oriented sales person are more likely to probe and explore sales situations they are likely to alter their sales approaches to meet customer needs. Hence,

learning orientation will result in higher procedural knowledge required for successful achievement of performance goals.

Hypothesis 2: Learning Orientation has a positive effect on procedural knowledge

2.4. Learning orientation and Sales performance

Churchill *et al.* (1985) defined performance as an evaluation of the salesperson's behavior considered in reference to the contribution to the organization's goals. They suggested that future investigation should focus on "influenceable" determinants of sales performance. Landy and Conte (2009) defined performance as actions or behaviors relevant to the organizations goal; measured in terms of each individual's proficiency (p.175). The conceptualization of sales performance by Behrman and Perreault (1982) which focuses on assessing how sales people achieve general and long-term objectives has been widely used in sales research.

Various sales studies (Kohli, Shervani, and Challagalla 1998; Sujan, Weitz, and Kumar 1994; VandeWalle, Cron, and Slocum 2001; Guangping and Netemeyer, 2002) have attempted to examine the direct and indirect effects of learning orientation on performance. However, the findings are not consistent. Hence the effect cannot be generalized. The findings of Sujan, Weitz, and Kumar's (1994) suggests learning orientation motivates sales people to work smart and hard which increase their performance. VandeWalle, Cron, and Slocum (2001) found a positive relationship between learning orientation and sales performance. Learning-oriented individuals use training as a mechanism for improving performance. Similarly, Wilson, Strutton and Farris (2002) also proposed that it also positively impacts self-efficacy and develops an attitude to transfer product knowledge to the customer, facilitating performance. However, Kohli, Shervani, and Challagalla (1998) differ with the findings of Sujan, Weitz, and Kumar (1994). Harris, Mowen and Brown (2005) examined the effect of learning orientation and found that it positively affects customer orientation of sales persons.

Higher learning goal orientation enhances individuals to understand something new or to enhance their level of competence facilitating sales performance. Hence the proposition,

Hypothesis 3: Learning Orientation has a positive impact on the Sales Performance

2.5. Declarative Knowledge and Sales Performance

Rentz *et al.* (2002) identified technical skills in form of product knowledge to have a positive impact on sales performance. Wilson, Strutton & Farris (2002) further suggested that transfer of product knowledge through training has a positive impact on performance outlining the contribution of product knowledge in sales

for identifying and satisfying customer needs. Similar results were obtained by Wachner, Plouffe and Grégoire (2009) indicating salesperson's product knowledge to have a positive effect on sales performance. In knowledge based sales, for example financial services, the importance of product knowledge cannot be underestimated. As 'knowledge brokers' they are required to transfer this product knowledge to their customers (Verbeke, Dietz and Verwaal, 2011). It helps sales person to demonstrate expertise which has a positive impact on their sales performance in personal selling situations.

To achieve the research objective of examining the indirect effect of learning orientation on sales performance through product knowledge the following hypothesis is proposed.

Hypothesis 4: Declarative knowledge has a significant positive impact on Sales Performance

2.6. Procedural Knowledge and Sales Performance

Weitz, Sujan, and Sujan (1986) viewed adaptive selling as a way to improve predictability of variance in sales performance. Based on the meta-analysis, Rentz *et al.* (2002) suggested salesmanship skills as an important skill contributing to superior sales performance. While examining critical success factors (CSFs) of sales persons in banking products and services Jaramillo and Marshall (2004) established positive relationship of selling techniques comprising of prospecting, approaching, presentation, closing and follow-up on sales performance. While analyzing perception of sales people with regards to selling skills, the results of Pettijohn, Pettijohn and Taylor (2007) indicated that perception on the importance of sales was positively related to their performance and developing these skills result in achievement of higher sales performance. Wachner, Plouffe, and Grégoire, (2009) further established salesmanship skills to be correlated to performance. Results of Verbeke, Dietz and Verwaal (2011) further indicated salesmanship skills referred as degree of adaptiveness to have a positive impact on sales performance. Hence, sales persons learning orientation could have a positive effect on their procedural skills and knowledge facilitating achievement of higher sales performance leading to our hypothesis of the research:

Hypothesis 5: Procedural Knowledge has a significant positive impact on Sales Performance

3. METHODOLOGY

3.1. Sampling

The study was conducted among sales persons involved in selling financial products in various Indian Banking and financial services companies. BFSI is a

cornerstone of fast growing economy like India. The industry has huge growth potential as Indian government has recently initiated financial inclusion program through which many unprecedented number of people are brought in the ambit of banking system for the first time. The emergence of non-banking financial companies (NBFC) have influenced the direction of saving and investment contributing to capital formation for India's growth and economic development (IBEF, 2014). A total of 328 frontline sales persons from the banking, mutual fund advisory, insurance providers and financial product distribution firms participated in the study. The respondents were primarily males over 21 years but under 54 years old with an average age of 38 years. 63% respondents possessed post graduate degrees. The profile of sample is validated with the experts for ensuring that it is representative of sales persons in the industry.

3.2. Measures

The measures used in this study include learning orientation, declarative knowledge, procedural knowledge and sales performance. The constructs for measures were drawn from existing literature. These were modified and adapted through structured interview with experts from the industry. These were further validated.

The modified scale of Harris, Mowen and Brown (2005) is used to measure Learning orientation. The 8-item scale was modified by adding three additional items based on discussion with experts. The 7-item scale to measure procedural knowledge was adapted from the modified 'Salesmanship Skill' developed by Rentz *et al.* (2002). Items related to adaptive selling (Spiro & Weitz, 1990) and Ethics (Howe, Hoffman and Hardigree, 1994; Lin, 2012; SEBI, 2013) were added before operationalizing the construct to make it comprehensive and relevant to the context. These scales developed for technical skills was the basis of developing the 7-item scale to measure declarative knowledge. These were augmented to make them useful and contextually relevant.

Sales performance was measured using the widely cited modified scale of Sales performance of Behrman and Perreault (1982). These scales are five-point Likert format anchored by 1= "Very Frequently" and 5= "Rarely".

The selection of the items in the study were not solely based on empirical criteria but also on face validity through in-depth structured interviews with experts from the industry followed by a pilot for predictive validity. All items with loading over 0.6 were retained. The measurement of these constructs were estimated for scale reliability using Cronbach's Alpha. Further analysis to assess the Construct validity through a Confirmatory Factor Analysis, including calculation of AVEs for discriminant validity was carried out using AMOS. **Table 1** outline the items of each scale and summarize their psychometric characteristics.

Table 1
Parameter estimates, Critical Ratio values, AVE, Construct Reliability

<i>FACTOR</i>	<i>Estimate</i>	<i>S. E.</i>	<i>C. R.</i>	<i>Eigen value</i>	<i>AVE</i>	<i>Construct validity</i>
<i>Learning Orientation</i>						
LO_02: Self-motivated to participate in in-house training program	0.664			1.984	.50	.80
LO_06: Self-motivated to take advantage of a learning situation	0.716	0.105	10.055			
LO_07: Views training as a value creation activity	0.749	0.107	10.29			
LO_08: Seeks information on management practices & beliefs	0.685	0.117	9.768			
<i>Declarative Knowledge</i>						
PK_01: Possess in-depth product knowledge	0.673			2.126	0.411	.806
PK_02: Calculates return on investment with regards to product	0.634	0.118	9.397			
PK_03: Can present a clear evaluation of product performance	0.655	0.108	9.642			
PK_04: Has knowledge of market trends	0.697	0.102	10.115			
PK_05: Has knowledge of competitors' products, services, and sales policies	0.597	0.128	8.901			
PK_07: Identify new products to suit customer needs	0.581	0.115	8.249			
<i>Procedural Knowledge</i>						
SS13_01: Has in-depth knowledge company's procedures	0.72			4.625	0.661	0.81
SS13_02: Identifies customers through cold calls / Leads	0.702	0.07	12.462			
SS13_03: Segments and positions customers	0.849	0.067	15.15			
SS13_04: Completes all pre-sales and sales kit tasks	0.887	0.074	15.828			
SS13_05: Observe customer reactions to their presentations and adapts and customizes selling approach	0.851	0.071	15.181			
SS13_06: Provides prompt feedback in dealing with escalation	0.854	0.072	15.244			
SS13_07: Maintains ethical standards in selling	0.808	0.076	14.393			
<i>Sales Performance</i>						
SP_01: Sell products with higher profit margins	0.581			2.262	.440	.789
SP_02: Quickly generate sales of new company products	0.842	0.182	5.984			
SP_04: Generates a high level of sales	0.511	0.314	6.947			

3.3. Measurement Model

Learning Orientation emerged as a single latent construct (i.e. Single factor) consisting of *Four* items with a causal relationship ($\alpha = 0.80$). *Declarative Knowledge* emerged as a single latent construct (i.e. Single factor) consisting of *Six* items with a causal relationship ($\alpha = 0.80$). *Procedural knowledge* emerged as a single latent construct (i.e. Single factor) consisting of *Seven* items with a causal relationship ($\alpha = 0.81$). *Sales performance* emerged as a single latent construct (i.e. Single factor) consisting of *Three* items with a causal relationship ($\alpha = 0.789$). The Global Fit Indices indicate that measurement models has a good fit to the data. Overall, the confirmatory factor analysis (CFA) results demonstrated adequate construct validity for all the measures. Exploratory factor analysis (EFA) indicates that the factors, learning orientation, declarative knowledge, and procedural knowledge explains 62%, 50% and 71% of total variance respectively. The factor, sales performance explains 60.5% of total variance.

4. RESULTS

Structural Equation Modelling (SEM) was used to simultaneously test all the five hypothesis. The model and the estimated weights are shown in Figure 2. The hypothesized relations were estimated and the key indices for assessing model fit viz. RMSEA = 0.058, NFI= 0.892 and CFI = 0.940 indicated a satisfactory model fit. The $\chi^2/df = 2.106$ ($df=165$) was significant at $CMIN=347.551$, $p = 0.000$. The other model fit indices viz. GFI and AGFI were also favorable, thus providing confirmation of an adequate data fit for the proposed structural model. The path

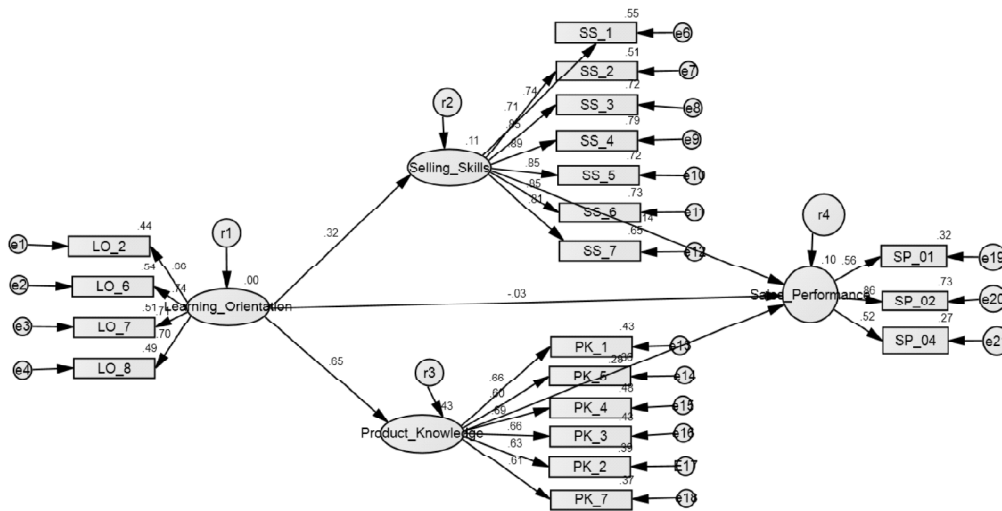


Figure 2: Structural Model - AMOS Output

coefficient between learning orientation and declarative knowledge is significant and positive with $\beta = 0.654$, $p < 0.01$ whereas the path coefficient between learning orientation and procedural knowledge with $\beta = 0.324$, $p < 0.01$ is significant and positive, hence there is enough evidence to support hypothesis H1 and H2.

The path coefficient between learning orientation and sales performance was found to be insignificant and negative with a weak $\beta = -0.029$, $p > 0.05$. Hence hypothesis H3 is not supported. The standardized parameter estimates for the proposed model are reported in Table 2.

Table 2
Standardized Estimates Weights, CR values and Results

<i>Hypo</i>	<i>Independent</i>	<i>Dependent</i>	<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>p</i>	<i>Result</i>
H1	Learning Orientation	Declarative Knowledge	0.654	0.068	7.956	***	Supported
H2	Learning Orientation	Procedural Knowledge	0.324	0.119	4.957	***	Supported
H3	Learning Orientation	Sales Performance	-0.029	.910	-2.27	.782	Not Supported
H4	Declarative Knowledge	Sales Performance	0.280	1.131	2.556	0.011	Supported
H5	Procedural Knowledge	Sales Performance	0.138	0.328	1.983	0.047	Supported

Furthermore, the path coefficient between declarative knowledge and sales performance is positive and significant with $\beta = 0.280$, $p < 0.01$, whereas the path coefficient between procedural knowledge and sales performance is positive and significant with $\beta = 0.138$, $p < 0.05$. Thus both declarative knowledge and procedural knowledge of a salesperson significantly impact sales performance. Declarative knowledge and procedural knowledge were significant predictors of sales performance and explained 10% variance. In summary, the salesperson's perceived importance of selling skills comprising of declarative knowledge (product knowledge) and procedural knowledge (salesmanship skills) were significantly related to sales performance.

5. DISCUSSION AND IMPLICATIONS

Analyzing determinants of sales performance in different selling contexts has attracted a lot of academic and managerial attention and more importantly, examining the combined effect of individual motivation, knowledge and skills. This research provides empirical evidence demonstrating the simultaneous effect of sales person's learning orientation (motivation), declarative knowledge (product

knowledge) and procedural knowledge (salesmanship skills) on sales performance based on Campbell, Gasser and Oswald's theory of performance. The meta-analysis by Churchill *et al.* (1985) explained that the determinants of sales performance ex. skill or motivation did not account for a great amount of variation by themselves and the variance could be less than 10% on an average. They further suggested that product type affected the relationship between the key determinants and sales performance. This study examined the effect of individual motivation on knowledge and skills and their combined effect on sales performance in selling financial services.

The findings explain learning orientation is an important antecedent of knowledge and skills which impact sales performance. The findings indicate that learning orientation enables sales person to develop their knowledge of product and competition. In other words, Lack of motivation to learn reduces the adaptability of sales person and their quest for knowledge, which result in doubting their competence on selling skills. (Chai, Zhao and Babin, 2012). The results support the claim of Vande Walle and Cummings (1997) that learning oriented sales persons believe that their efforts to develop abilities to master sales process would lead them towards success. It also encourages sales persons to be self-regulated and develop new skills (Vande Walle, Cron, and Slocum, 2001). While other research (Brett and Vande Walle, 1999; Wilson, Strutton and Farris, 2002) suggests that learning orientation determined sales performance directly. This study did not find evidence to support this claim. It is possible that financial products are abstract and successful sales performance can only be achieved after acquiring necessary knowledge and skills. Financial services being dynamic and complex merely possessing motivation to learn would not yield superior sales performance. Besides, it can be noted in the cultural context of India trust plays an important role in sale of financial products. The findings of this study support results obtained by Verbeke, Dietz and Verwaal (2011) indicating selling related knowledge is a significant driver of salesperson performance. Such an approach is consistent with the premise of sales people being 'knowledge brokers' especially in the context of selling financial services.

5.1. Academic Implications

We provide evidence from Indian BFSI industry on role of learning orientation positively impacting sales performance through declarative knowledge and procedural knowledge but does not directly. The findings suggest the importance of integrating behaviorist (based on response to stimulus) and cognitive (based on information processing) approaches in learning. This research contributes to sales management literature in personal selling domain demonstrating the impact of technical skills and salesmanship skills in financial services setting. It presents a contemporary conceptualization of product knowledge and salesmanship skills

as antecedents of sales performance.

5.2. Managerial implications

The findings highlight importance of assessing learning goal orientation among sales persons during selection process. Only focussing on technical knowledge would not provide a complete perspective about salesperson. Owing to the nature of BFSI industry and product type which is highly knowledge driven, existing knowledge and skills may become obsolete quite rapidly. The findings highlight the importance of assessing the level of motivation to acquire new skills and knowledge while hiring new sales persons. Managers should focus on fostering a culture of learning aimed at encouraging employees to develop their knowledge about procedures, products and competition. They must encourage sales persons to acquire new skills to enhance their performance. Such an orientation when combined with selling skills results in positive outcomes important to managers and hence be encouraged. We also draw attention on the importance of relevant declarative knowledge in the form of product knowledge and procedural knowledge in the form of salesmanship skills to achieve performance. Seeking perception on the knowledge and skills required from the learners perspective would help firms to design training programmes and prioritize key areas.

6. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

The study attempts to provide insights into areas that have limited empirical studies on the relationships of learning orientation, product knowledge, and salesmanship skills on sales performance. However, there are certain limitations in our study. First, the expert panel and the organizations chosen for the study were based on ability of the researcher to establish connection and network within the city of Mumbai. Future research could seek a broader sample from other metro cities and tier two cities. Second, the future study could consider assessing the organization structure or environment as a moderating variable for an in-depth examination. Third, the self-reported attitudinal and behavioral responses may have been influenced by social desirability bias. Future researchers can use 'Relative competence' which is the ratio based on judgment on the importance of acquired competencies. Last, Sales Performance was measured based on self-reporting. Future researchers could use other measures which would give more accurate estimated of relationship strengths.

7. CONCLUSION

This study has made an incremental contribution to sales management for practitioners and researchers. This study addresses the identified research gap and

help understand sales in BFSI industry. Results demonstrate the importance of learning orientation in selling financial products and services and its impact on sales performance. The moderation by declarative knowledge and procedural knowledge on learning orientation positively affected sales performance but not directly. The results suggest that complex nature of BFSI industry warrants professional and skilled sales persons in achieving superior sales performance.

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